

CHARTER PARTY

1 PARTIES TO THE CONTRACT

In this charter party the Company, in its capacity as lessor, will hereinafter be called the "Owner"; the client stipulating the charter party will be called the "Charterer"; any licensed captain other than the Charterer will be called the "skipper".

2 ASSIGNMENT OF THE CHARTER

The Charterer is not permitted to assign the use of the craft in question, nor the rights arising from the charter party hereto, to third parties.

3 MATTERS PERTAINING TO THE CHARTER PARTY

The Charterer may withdraw from the charter party but will lose the right to the return of the amounts paid by him to the Owner as a deposit to confirm his exclusive reservation; the Charterer loses the right to withdraw from the charter party from the sixtieth day prior to the start of the charter and from that time the Owner will still be entitled to 100% of the tariff should the Charterer subsequently declare he is unable to use the craft. Should the charter of the craft be interrupted at the request or due to the Charterer, the latter will not be entitled to any refund: failure to use the craft during the stipulated period does not entitle the Charterer to any refund whatsoever.

The Owner who, due to a breakdown or any other reason beyond his control, is unable to deliver the contracted craft, has the faculty of delivering - within three (3) days - another of similar characteristics and must refund to the Charterer only the daily rate for the days the craft was not at his disposal. Should the delay protract beyond said period the Charterer will be entitled to demand the cancellation of the charter party and the refund of any amount paid with legal interests thereon, but will not be entitled to any other form of damages.

4 OWNER'S OBLIGATIONS

The Owner delivers the craft and her pertinences in a seaworthy condition, complete with accessories, fittings and safety equipment and with her navigation documents, together with all that may be necessary to render the craft in question seaworthy and to allow her to serve the stipulated use. At the time of delivery the Charterer, after inspecting the craft and ascertaining the presence of all pertinences necessary to render her seaworthy and to allow her to serve the stipulated use, will sign a list containing an inventory of the aforesaid pertinences. By signing said inventory the Charterer expressly confirms having received the craft in a good state of maintenance, seaworthy and suitable for the stipulated use: it follows that he will no longer be able to present any protests and the Owner will be free of all liability in this respect. The parties expressly agree that the detailed nautical charts supplied by the Owner only cover the 'area recommended' for navigation, taking into reasonable account the dimensions of the boat and the distances, as well as the port and tourist structures present along the coasts; this area covers the Tyrrhenian Sea.

The delivery of the boat takes place on the date, at the time and in the place provided by the charter party. Time required for explanation or clarification of use falls within contract time. Obligation to deliver becomes effective and enforceable on the Owner only after the Charterer has paid the entire amount of the hire, has paid the security deposit and has signed the inventory.



5 CHARTERER'S OBLIGATIONS

The Charterer is liable for the craft to all effects of the law for the entire period indicated in the present charter party; in particular he is bound to use the craft with particular prudence, care and diligence in compliance with the stipulated use and with the technical characteristics reported in the craft's documents, as well as to fulfil all those obligations assumed under the present charter party for the duration of the charter. The Charterer who intends to navigate outside of the recommended area must equip himself with the detailed nautical charts relative to the areas where he intends to sail. The Charterer also undertakes to redeliver the boat on the established date, the place and the time, in the same condition as when he took delivery, with the same characteristics and suitable for the same use, with all the accessories, equipment, fittings and documents received from the Owner at the time of delivery.

The Charterer expressly undertakes:

- to destine the boat solely to himself and the crew and takes due note that the carriage of goods and passengers is forbidden as is any other type of commerce or financial activity;
- to respect the minimum crew requirements as well as the maximum number of persons who may be carried on board;
- to use the boat solely within the scope of his qualification or that of the designated party;
- not to participate in regattas or nautical manifestations of whatever nature;
- not to request towage or to tow another unit except in the case of absolute emergency;
- to respect Port Authority orders in respect of bad weather or danger at sea; in any case to refrain from sailing with seas greater than force six and each and every time that the weather bulletins inform or forecast situations dangerous to navigation in the near future. Any breach of this obligation will result in the Charterer undertaking liability for any damages suffered by the craft;
- to anchor the craft off the coast in a safe position and to maintain a continuous surveillance;
- to sail the craft with sails appropriate to the force of the wind so that they do not suffer damage;
- to refrain from keeping any animals on board;
- to refrain from using any materials for the outer and inner cleaning of the boat which might damage it;
- to turn the engine off when the boat's trim is greater than 15°;
- to contact the Owner at least once a week communicate the boat's position;
- by virtue of this charter party the Charterer undertakes to use the chartered craft solely for pleasure purposes.

All costs relating to the use and consumptions of the boat, and in particular fuel, lub-oil, water, electricity, port, customs, service and/or mooring taxes/fees even in private harbours, as well as any radio-telephone costs will be for Charterer's account. The Charterer undertakes to take care of the boat, to keep its accessories and furnishings in order and to re-deliver it clean and in excellent condition. The Charterer also undertakes to carry out the usual maintenance work and will consequently be held liable for any damages deriving from a failure to comply with this obligation. Any obligations relating to the craft contracted by the Charterer with third parties must be assumed in the Charterer's name, without spending the name of the Owner, and the Charterer will remain the sole party liable for the fulfilment of any such obligations. The Charterer must refund to the Owner all and any amounts which the latter may have to pay to third parties consequent to illicit deeds committed by the said Charterer and the latter will not be entitled to raise any objection whatsoever.



6 DAMAGES, AVERAGE, ACCIDENTS, REPAIRS

In the case of damage, average or accident the Charterer must immediately notify the Owner; he may continue navigation only if this will not aggravate the damage or provoke peril to persons and the craft. He may not carry out any repairs without the prior authorisation of the Owner. The costs necessary for the repairs are on Charterer's account and he will be refunded only if the cause cannot be attributed to him under the conditions of the present charter party. The Owner may withhold the security deposit to safeguard his rights until such time as said liability has been fully established, without any obligation to pay any amounts on account of interests, damages or other reasons.

Should - without there being any liability on the part of the Charterer - the boat suffer any average solely in respect of the engine, the transmission, the reversing gear, the standing and running rigging, the sails, the batteries and/or the alternators which may prejudice its full use for over 12 hours (excluding the first night following the average) the Owner will only be held to allow the Charterer to recover those hours not enjoyed and all other forms of compensation and/or refund are thus excluded. This recovery will take place, at the Owner's discretion, at the end of the charter period or by means of the issue of a credit note for subsequent charters. Any form of monetary refund is expressly excluded. It is hereby specified that this warranty is applicable solely in the case that the average occurs in the area of guaranteed assistance and the warranty is therefore excluded should the average occur in a different area of sea.

The Charterer may not demand repairs and/or assistance except in the hours between 08:00 and 20:00. It is agreed that the cost of any repairs and assistance not chargeable to the Owner under the conditions of the present charter party must be paid by the Charterer at the usual current market rates, plus the cost of the materials used. Due notice is hereby given to the effect that any average to the echo sounder, log, refrigerator, autoclave, tender, outboard engine, anchor winch - be it electric or manual, stereo and any other equipment or fitting not included in the second paragraph of this present clause will not give rise to the foregoing warranty rights, i.e. to the recovery of the hours of hire not enjoyed nor prejudice the exclusion of any right on the part of the Charterer to compensation and/or refund.

In the cases foreseen any demand for refund must be made by the Charterer directly to the Owner at time of re-delivery of the craft and in any case on the same day. Once this term has elapsed, or if the claim is presented to a party other than the Owner, the Charterer's right to claim refund will expire.

7 INSURANCE

The boat will be delivered insured:

- with a kasko (fully comprehensive) policy for the Mediterranean, up to total loss; this policy has an allowance which is covered by the Charterer's security deposit;
- with a third party civil liabilities policy, obligatory under the current laws, for damages accidentally caused to third parties by the navigation or by the lying afloat of the craft: this insurance does not cover: the loss or damages to the property of the Charterer and of the parties carried on board; any of the damages and compensations due under Art. 8 hereto.

In any case the Charterer remains liable for any damages whatsoever which may not be indemnifiable by the underwriter by reason of deed or fault of the Charterer, as well as for the allowance.



8 REDELIVERY, OBSERVANCE OF ESTABLISHED TERM

If the charter is scheduled to terminate in the morning, the Charterer undertakes to return to the port of redelivery by and no later than 18:00h of the day prior to the redelivery date, to punctually return the boat at the established date, time and port and to have already extinguished each and every obligation regarding the boat which may have been contracted during the period of the charter. The Charterer will answer to the Owner for failure to redeliver, even in the case of mere accident, force majeure or average. The cruise itinerary must therefore be planned in such a way as to allow the return of the boat within the established time, even by bringing forward the re-entry to the port of redelivery should there be bad weather forecasts. In the case of failure to comply with this obligation the Charterer must pay the Owner an amount equivalent to the weekly hire of the same craft in that period, and to refund all the financial damages arising from that delay, such as board and lodgings ashore for the subsequent Charterer and his crew.

To the effects of the foregoing re-delivery of the craft in a port other than that foreseen in the charter party is considered as a delay. In this latter instance the Charterer is also liable for all the costs involved in transferring the boat to the redelivery port.

9 SECURITY DEPOSIT

Failure to pay the security deposit will result in the automatic cancellation of the charter party hereto and the Owner will be entitled to withhold, by way of penalty, all those amounts paid to him by the Charterer on account of hire. The security deposit will be returned once it has been established that there are no damages, no breaches of contract and no breaches of obligations contracted during navigation. Charterer's financial liability is limited to the sole amount of the security deposit solely in respect of material damages caused to the craft, and the Owner is fully entitled to demand from the Charterer - who will respond with his personal estate - the refund of the entire amount of any other and different damages suffered.

10 SKIPPER

The skipper is the captain of the boat, responsible for it and for the crew in all things pertaining to navigation, handling, mooring manoeuvres and all else relating to the duties of a good and expert captain; the charter party must be signed by the skipper; should the latter be a party other than the Charterer he must sign this charter party, together with the Charterer, expressly in his capacity as skipper; The Owner is entitled to ask for the skipper's sea-brief and if the skipper has no sea-brief, or if it is insufficient, or if his knowledge and capacities are not, in the Owner's incontestable opinion, sufficient for the type of boat and for the safety of the persons on board, the Owner - unless the Charterer finds another, suitable skipper - may refuse to deliver the boat and may withhold 100% of the tariff and the charter party will be considered as automatically cancelled. Should, at Charterer's request, the Owner find a skipper it is expressly declared that the Owner merely provides the contact between the Charterer and the skipper and that the Owner is therefore entirely extraneous to the service relationship between said parties; as is common usage the skipper's board is on Charterer's account. If, as stated above, the Charterer is not the skipper the latter will answer directly to the Owner for any damages or average related to his specific duties as indicated at the beginning of this present article, whilst the remaining liabilities will be for Charterer's account.



11 BREACH OF CONTRACT

The Charterer and/or the skipper (in so far as he may be concerned) are directly liable for every breach of this present charter party and they jointly undertake to hold the Owner harmless of any claims whatsoever presented against him for facts occurring during the use of the boat by the Charterer or consequent to same. Should the boat be arrested or blocked for reasons attributable to the Charterer the latter must pay the Owner a compulsory contractual indemnity equivalent to the charter rate applicable for the period, for the entire duration of the arrest/blockage.

12 GOVERNING LAWS AND REGULATIONS

The relationship between the parties hereto involves only the charter of the craft and in respect of any matters not expressly established in the present charter party said relationship is therefore governed by the regulations of the Italian Civil Code and of the Code of Navigation relating to the hire of mobile properties.

13 EXCLUSIVE NATURE AND VALIDITY OF THIS CONTRACT

This charter party is the sole valid instrument by which to charter a craft belonging to the Company; any other contract signed by the Charterer in respect of the charter of the same craft, drawn up by brokers or agencies, is null and in any case does not bind the Company. The fact of any of the individual provisions of this present charter party being void will not result in the entire charter party becoming void. Any agreements departing from the present charter party must be in writing failing which they are void; the Owner will provide information based on science and knowledge but without warranty.

14 DISPUTES AND EXCLUSIVE DEROGATION FROM THE COMPETENT FORUM

For each and every dispute arising from the present charter party a competent Tribunal will be the sole forum.

15 REFERENCES

The parties reciprocally acknowledge that the present general charter party conditions are intended as integrated with the phrases, referred to by means of asterisk, indicated on the first page, to the contents of which phrases express and full reference is made.

16 FORMATION OF THE CONTRACT

The parties hereto declare that they have carefully perused the present charter party and that each clause has been specifically agreed.

17 TRANSLATION

The Italian Version of this Bare Boat Charter Party will prevail over all other language versions.

