

# CHARTER AGREEMENT -

## CLAUSE 1 AGREEMENT TO LET AND HIRE

The OWNER agrees to let the Yacht to the CHARTERER and not to enter into any other Agreement for the Charter of the Yacht for the same period.

The CHARTERER agrees to hire the Yacht and shall pay the Charter Fee, the Security deposit, the Advance Provisioning Allowance and any other agreed charges, in cleared funds, on or before the dates and to the Account specified in this Agreement.

## CLAUSE 2 DELIVERY

The OWNER shall at the beginning of the Charter deliver the Yacht to the Port of Delivery and the CHARTERER shall take delivery in full commission and working order, seaworthy, clean, in good condition throughout and ready for service, with full equipment, including up-to-date safety and life-saving equipment (including life-jackets for children if any are carried in the Charterer's party), as required by the Yacht's registration authority and fitted out as appropriate for a Yacht of her size and type and enabling the CHARTERER to use the Yacht as set out in Clause 13. The OWNER does not warrant her comfort in bad weather conditions for all cruises or passages within the Charter Area.

## CLAUSE 3 RE-DELIVERY

The CHARTERER shall re-deliver the Yacht to the OWNER at the Port of Re-Delivery free of any debts incurred for the CHARTERER's account during the Charter Period and in as good a condition as when delivery was taken, except for fair wear and tear arising from ordinary use. The CHARTERER may, if he wishes, re-deliver the Yacht to the port of Re-Delivery 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 Fee.

## CLAUSE 4 CRUISING AREA

a) The CHARTERER shall restrict the cruising of the Yacht to within the Cruising Area and to within regions in the Cruising Area in which the Vessel is legally permitted to cruise. The CHARTERER shall also restrict time under way to an average of six (6) hours per day, unless the Captain, in his sole discretion, agrees to exceed this time.

b) While the captain and/or broker will make all reasonable efforts to accommodate the CHARTERER's request for berth; it is understood that the captain and/or the Broker and/or Stakeholder (if applicable) cannot be held liable for non-allocation of the berth.

## 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 plus, at the sole discretion of the Captain, a reasonable number of visitors whilst the Vessel is securely moored in port or at anchor, or as permitted by appropriate authority.

b) If children are taken on board, the CHARTERER shall be fully responsible for their conduct and entertainment and no member of the crew shall be held responsible for their conduct or entertainment.

c) The nature of a yacht charter may render it unsuitable for anybody 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 CREW

a) The OWNER shall provide a Captain qualified in accordance with the Vessel's flag state requirements and acceptable to the insurers of the Vessel. He shall also provide a suitably qualified and properly trained Crew. 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) and the captain and crew shall comply with the laws and regulations of any country into whose waters the vessel shall enter during the course of this Agreement.

b) It is understood that the Crew are entitled to a minimum amount of the rest in accordance with the Vessel's Code of Practice.

c) 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

a) The OWNER shall ensure that the Captain shows the CHARTERER the same attention as if the CHARTERER were the OWNER. The Captain shall comply with all reasonable orders given to him by the CHARTERER regarding the management, operation and movement of the Yacht, wind, weather and other circumstances permitting. The Captain shall not, however, be bound to comply with any order which, in the reasonable opinion of the Captain, might result in the Yacht 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 Yacht upon the expiration of the Charter Period, or would, in the reasonable opinion of the Captain, cause a breach of clause 13 and/or any other clause of this Agreement. Further, without prejudice to any other remedy of the OWNER, if, in the reasonable opinion of the Captain the CHARTERER or any of his Guests fail to observe any of the provisions of clause 13 and if such failure continues after the Captain has given due and specific warning to the CHARTERER in writing in respect of the same, the Captain shall inform the OWNER and the Broker(s) and the OWNER may terminate the Charter forthwith or instruct the Captain to return the Yacht to the Port 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 outstanding expenses with the Captain beforehand and the CHARTERER shall not be entitled to be refunded any of the Charter Fee.

b) With particular regard to the use of water sports equipment, as defined in Clause 16, the Captain shall have the authority to exclude the CHARTERER or any or all of his guests from use of any particular water sports equipment if, in his reasonable opinion, they are not competent, are unsafe, are behaving in an irresponsible manner, or are failing to show due concern for other persons when operating this equipment.

## NOTIFICATION BY THE CAPTAIN

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

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## CLAUSE 8 OPERATING COSTS

The charter fee includes the charter of the vessel with all its equipment in working order; tools; stores; cleaning materials and basic stores for engine room, deck, galley and cabins; laundry of ship's linen; the crew's wages, uniforms and food; the insurance of the vessel and crew as per clause 16. THE CHARTERER will pay, at cost, for all the other expenses. These include, but are not limited to, shore side transport; fuel for main engines and generators; fuel for tenders and water sports equipments; food and all beverages for the charter party; berthing dues and other harbor charges including pilot's fees, local taxes, divers fees, customs formalities and any charges for waste disposal, charges for water and electricity taken from shore; ships agents fees where applicable; personal laundry; charter party communications and internet use; and hire or purchase costs of any special equipment placed on board at the CHARTERER's request.

Payment for extraordinary expenses such as special requirements or equipment, shore side transport or excursions or any other expenses not customarily considered part of the vessel's operating costs may be required to be paid, via the Broker's account in advance or the Captain on boarding, in addition to the APA.

Having paid the Advance Provisioning Allowance (A.P.A.) via the Broker's account, the CHARTERER shall be advised by the Captain, at intervals, as to the disbursement of the A.P.A. and shall, if the balance remaining becomes insufficient, in the light of current expenditure, pay to the Captain, in cash, a sufficient sum to maintain an adequate credit balance. The OWNER shall ensure the Captain will exercise due diligence in the expenditure of the APA, Any charges or fees related to the transfer of the APA to the Vessel are for the CHARTERER's account. Exchange rates, if applicable, cannot be guaranteed.

Prior to disembarkation at the end of the Charter Period, the Captain shall present to the CHARTERER a detailed account of expenditure with as many supporting receipts as possible, and the CHARTERER shall pay the Captain in cash, the balance of the expenses, or the Captain shall repay to the CHARTERER, in cash, any balance overpaid, as the case may be.

Payment by cheque, credit card or other negotiable instrument is not normally acceptable due to the itinerant nature of the Vessel's seasonal schedule and the CHARTERER should there ensure that he has sufficient funds available to cover all foreseeable expenses or arrange to deposit funds with the Broker.

## CLAUSE 9 DELAY IN DELIVERY

a) If, by reason of force majeure (as defined in Clause 18 (a)), the OWNER fails to deliver the Yacht to the CHARTERER at the Port of Delivery at the commencement of the Charter Period and delivery is made within forty-eight (48) hours of the scheduled commencement date, or within one tenth (1/10th) of the Charter period, whichever period is the shorter, the OWNER shall pay to the CHARTERER a refund of the Charter Fee at a pro rata daily rate or if it be mutually agreed the OWNER shall allow a pro rata extension of the Charter Period.

### FAILURE TO DELIVER

b) If by reason of force majeure the OWNER fails to deliver the Yacht within forty-eight (48) hours or a period equivalent to one-tenth (1/10th) of the Charter Period, whichever period is the shorter, from the due time of delivery, 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 payments made by him to the OWNER or Stakeholder. Alternatively, if the parties mutually agree, the Charter Period shall be extended by a time equivalent to the delay.

c) If the OWNER fails to deliver the Yacht at the Port of Delivery at the commencement of the Charter Period, other than by reason of force Majeure, 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 or Stakeholder, and shall in addition be paid by the OWNER liquidated damages as set out in Clause 9 (e) (iv) below.

## CANCELLATION BY OWNER

d) If prior to the commencement of the Charter Period as set out on page 1 of this Agreement, the OWNER tenders notice of cancellation via the Broker and if the cancellation is by reason of force Majeure, the remedy in (b) above will apply. If the cancellation is for any other reason, then the remedy in (c) above will apply.

e) Should the CHARTERER become entitled to liquidated damages for cancellation or failure to deliver the vessel other than by reason of force majeure liquidated damages will be calculated and paid forthwith on the following scale:

- i.) Thirty (30) days or more before commencement of the Charter Period, an amount equivalent to twenty five per cent (25%) of the Charter Fee.
- ii.) More than fourteen (14) days but less than Thirty (30) days before commencement of the Charter Period, an amount equivalent to thirty five per cent (35%) of the Charter Fee.
- iii.) More than fourteen (14) days, but less than one month before commencement of the Charter Period, an amount equivalent to thirty-five per cent (35%) of the Charter fee.
- iv.) fourteen (14) days before commencement of the Charter Period, an amount equivalent to fifty per cent (50%) of the Charter Fee.

## CLAUSE 10 DELAY IN RE-DELIVERY

a) If the Re-Delivery of the Yacht is delayed by reasons 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 re-deliver the Yacht 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 telegraphic transfer via the Broker/Stakeholder's Account demurrage at the daily rate plus forty percent (40%) 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 Yacht or cancellation of, or delay in delivery under any subsequent Charter of the Yacht.

## CLAUSE 11 CANCELLATION BY CHARTERER

a) i) Should the CHARTERER give notice of cancellation of this Agreement on or at any time *PAGE FOUR* ment of the Charter Period, some or all of the charter fee may be retained by the OWNER determinate as follows: *OF SIX*

- After this agreement is signed but before the final installment is due to be paid, the OWNER shall be entitled to retain the first installment.

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-After any subsequent installment are due to be paid, the OWNER shall be entitled to retain the first installment.

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) DEFAULT OF PAYMENT OR FAILURE TO PAY

Should the CHARTERER fail to pay after having been given written notice by the OWNER any amount due under this agreement, the OWNER reserves the right to treat this agreement as having been repudiated by the CHARTERER and to retain the full amount of all payments and to recover all sums unpaid and due up to the date of the 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 the CHARTERER'S loss and in the event that the OWNER is able to re-let 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 arising from such re-letting after deduction of all commissions and other consequential expenses arising from such re-letting, The intention is that the OWNER shall receive the same in net proceeds from any re-letting as would have been received under this agreement had it not been cancelled or repudiated, so that the OWNER shall reimburse or forgive payments received or due from the CHARTERER only to the extent that the net proceeds from any re-letting which correspond to part or all of the charter period exceed the amounts which would have been received under this agreement. The OWNER shall use his best endeavors to re-let the vessel and shall not unreasonably withhold his agreement to re-let, although charters which may reasonably be considered detrimental to the vessel, its reputation, its crew or its schedule may be refused.

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 of page One of this agreement, the CHARTERER shall pay for these expenses unless all or part can be either refunded by 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) If, after signature of this Agreement, the OWNER is adjudged bankrupt or, in the case of a company, a liquidator, receiver or administrator is 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, his agent or the Stakeholder pursuant to this agreement shall be refunded without further deduction.

## CLAUSE 12 BREAKDOWNS OR DISABLEMENT

If, after delivery, the Vessel at any time is disabled by breakdown of machinery, grounding, collision or other cause so as to prevent reasonable use of the Yacht by the CHARTERER for a period of not less than twelve (12) and forty-eight (48) consecutive hours or one-tenth (1/10th) of the Charter Period, whichever is the shorter (and the disablement has not be brought about by any act or default of the CHARTERER), the OWNER shall make a pro rata return of the Charter Fee for the period of the disablement or, if it be mutually agreed, allow a pro rata extension of the charter period of disablement. If the CHARTERER wishes to invoke this clause, he shall give immediate notice the Captain directly, (or via the Broker) the CHARTERER shall not be liable for extra costs relating to the immobilization of the vessel but will remain liable for normal expenses during the period of disablement.

In the event of the actual or consecutive total loss of the vessel or if the vessel is disabled as aforesaid for a consecutive period of more than forty-eight (48) hours or one-tenth (1/10th) of the Charter Period, whichever is the shorter the CHARTERER may terminate this Agreement by notice in writing to the OWNER or via the Broker(s) or to the captain if no means of communication is available. Within two working days after such termination the Charter Fee shall be repaid by the OWNER pro rata 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 CHARTERER shall be entitled to recover from the OWNER the reasonable cost of returning the CHARTERER and his guests to the place of Re-Delivery, together with any reasonable accommodation expenses incurred.

Alternatively, after a consecutive period of disablement of more than forty-eight (48) hours or one-tenth (1/10th) of the Charter Period, whichever is the shorter, and dependent of 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 13 USE OF THE VESSEL

The CHARTERER shall comply and shall ensure that his Guests comply, with the laws and regulations of any country into whose waters the Yacht 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 consent in writing of the OWNER. The CHARTERER shall ensure that the behavior of the CHARTERER and his guests shall not cause a nuisance to any person or bring the vessel into disrepute. The vessel is not to be used for commercial photo or film shoots of any nature, unless by written permission of the OWNER.

The CHARTERER and Guests shall afford the crew due respect at all times. No crew member shall be subjected to any type of harassment, sexual or otherwise, by the CHARTERER or guests at any time during the charter period.

Unless otherwise agreed, smoking shall be restricted to the exterior areas of the vessel designated by the captain.

The Captain shall promptly draw the CHARTERER'S attention to any infringement of these terms by himself or his Guests, and if such behaviour continues after this warning, the Captain 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 7.

If the CHARTERER or any of his Guests shall commit any offence contrary to the laws and regulations of any country which results in any member of the crew of the Yacht being detained, fined or imprisoned, or the Yacht being detained, arrested, seized or fined, the CHARTERER shall indemnify the OWNER 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.

The vessel operates a zero tolerance policy and the possession or use any illegal drugs or *PAGE FIVE* ding firearms) are strictly prohibited on board the vessel. Failure to comply shall be sufficient reason for the OWNER to terminate *OF SIX* forthwith without refund or recourse against the OWNER, Stakeholder or Brokers.

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CHARTERER:

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## CLAUSE 14 NON-ASSIGNMENTS

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

## CLAUSE 15 SALE OF THE YACHT

- 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 Yacht after the signing of this Charter Agreement, but before delivery to the CHARTERER, the OWNER shall immediately give notice of such sale in writing to the CHARTERER via the Broker. This information shall be kept in strict confidence by all parties to the Agreements.
- c) Should the vessel be sold one of the following provisions will apply:
- i) The OWNER shall arrange for the buyer perform the Charter on the same terms and conditions, either by signature of a tri-partite Agreement.
- ii) If the Buyer is unwilling or unable to fulfill the Charter agreement, then this Charter shall be considered as having been cancelled by the OWNER in accordance with the clause 9. All payments made by the CHARTERER shall be promptly repaid in full to him without deduction, and in addition liquidated damages calculated in accordance with the clause 9 (e) i, ii or iii, as appropriate, shall be paid. The Broker and stakeholder shall be paid by the OWNER the full commission due on this original agreement no later than seventy-two (72) hours after formal cancellation.

## CLAUSE 16 INSURANCE

- a) Throughout the period of this agreement the OWNER shall insure the vessel with first-class insurers against all customary risks for a vessel of her size, value, and type on cover 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, Water Skiers liabilities together with liabilities arising from the use by the CHARTERER and other competent person(s) authorized by him of jet skis, wave runners and other similar powered craft as well as windsurfers, dinghies, catamarans or other water-sports equipment carried by the vessel. The insurance shall also cover War, Strikes, pollution and include insurance of Crew against injuries and/or Third Party liabilities incurred during the course of their employment. The CHARTERER shall remain liable for any loss, damage or liabilities arising from any act or negligence of the CHARTERER or his guests and not recoverable by the OWNER under his insurance.
- b) All such insurance shall be on such terms and subject to such deductibles as are customary for a vessel of the Yacht's 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.
- d) The CHARTERER should be aware that neither charterer's liability insurance nor cancellation and curtailment insurance are included in this agreement.

## CLAUSE 17 SECURITY DEPOSIT

Unless otherwise provided on page One of this Agreement, the Security Deposit shall be held by the Stakeholder on the OWNER's behalf and may be used in, towards, discharging any liability that the CHARTERER may incur under any of the provisions of this Agreement. If not required, as confirmed by the captain in writing to the Stakeholder, the security deposit shall be refunded without interest to the CHARTERER on the first working day after the end of the charter period, or after settlement of all outstanding questions, whichever is the later.

## CLAUSE 18 DEFINITIONS

### a) FORCE MAJEURES

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, the crew, or the CHARTERER (including, but not limited to strikes, lock-outs or other labour disputes, civil commotion, riots, acts of terrorism, blockade, invasions, war, fire, explosion, sabotage, storm, collision, grounding, fog, governmental act or regulation, major mechanical or electrical breakdown beyond the crew's control and not caused by lack of maintenance and/or the OWNER'S or crew's negligence). When force majeure is invoked due to aforementioned breakdown, the OWNER agrees to allow a surveyor as appointed by the CHARTERER, unhindered and immediate access to the vessel and the vessel's maintenance logs. Crew changes and shipyard delays not attribute to the aforementioned conditions, do not constitute force majeure. Force majeure.

### b) OWNERS, CHARTERERS AND BROKERS

Throughout the Agreement the terms 'OWNER', 'CHARTERER' and 'Broker' and Stakeholder and corresponding pronouns shall be construed to apply whether the OWNER, CHARTERER, Broker or Stakeholder is male, female, or corporate, singular or plural, as the case may be.

## CLAUSE 19 SALVAGE

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

## CLAUSE 20 PAYMENTS OF CHARTER FEES AND OTHER MONIES TO THE OWNERS

All funds received by the Broker(s) against this Agreement shall be transferred immediately upon receipt to the Stakeholder (if the first Broker is not the Stakeholder) and then held by the Stakeholder on a designated Account in the currency of this Agreement. Fifty (50%) percent of the Charter Fee be paid to the OWNER BY THE Stakeholder after deduction of the full commission by bank transfer on the date of commencement of the charter period or in the first day thereafter. The Advance Provisioning Allowance (APA) shall be paid by the Stakeholder, to the Captain, or to the OWNER for onward transmission to the captain prior embarkation, by bank transfer. The Delivery and/or Re-Delivery fees (if Applicable) and any extraordinary expenses shall either be paid with the first payment to the OWNER or directly to the captain. The balance of the charter fee shall be paid to the OWNER on the first working day following completion of the charter period.

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## CLAUSE 21 COMPLAINTS

The CHARTERER shall give notice of any complaint in the first instance to the Captain 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 Yacht, 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 22 ARBITRATION & LAW

Unless otherwise specified in the appropriate space on Page One of this Agreement, any dispute in connection with the interpretation and fulfillment of this Agreement shall be decided by arbitration in London and in accordance with the laws of England. 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 Arbitrators, each party appointing one Arbitrator, the third being appointed by the current President of the Mediterranean Yacht Brokers Association or the American Yacht Charter Association.

Appointment of Arbitrators, or substitution of Arbitrators who are not available, shall be made within two (2) weeks of written notice by the other party, failing which the President of the Association appointing the third Arbitrator shall also appoint an Arbitrator on behalf of the party who fails to appoint one.

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

If notice of Arbitration proceedings is given by either party, the Stakeholders, after receiving notification of such proceedings, shall not deal with those monies held by them without the agreement of both parties or in accordance with the order of the Arbitrators or their final award. The monies should be held in a designated client account. This account should be interest bearing where national banking rules permit. The Stakeholders may, with the agreement of both parties, pay the monies into an escrow account jointly controlled by the accredited legal representatives of both parties pending the result of the Arbitration.

## CLAUSE 23 BROKERS

a) The commission shall be deemed to be earned by the Broker(s) and the stakeholder upon the signature of this Agreement by the OWNER and CHARTERER and payment of the deposit funds by CHARTERER and be payable by the OWNER on the full Charter Fee plus the Delivery/Re-Delivery Fee, if applicable, but excluding running expenses, according to Clause 20 on the previous page, whether or not he defaults for any reason including force majeure. In the event of Cancellation by the CHARTERER, the commission shall be deducted as an expense from the deposit.

b) If the CHARTERER should extend this Charter, the OWNER shall paid commission on the gross Charter Fee for the extension, on the same basis as provided in 23 a.

c) If the CHARTERER should re-charter the vessel from the OWNER, his Agent or the Stakeholder, within two (2) years from the date of completion of this Charter, whether or not on the same terms, then the Broker shall be entitled to, and shall be paid by the OWNER, commission on the gross Charter Fee paid for that further charter upon the same basis as provided herein.

However, if the CHARTERER should choose to re-charter the vessel within this two-year period via another Broker, to whom the commission is being paid, the OWNER shall pay commission once only on the first charter within that period of one-third (1/3rd) the full rate to the original Broker and two-thirds (2/3) to the new Broker.

d) In any agreement should be reached directly between the CHARTERER and the OWNER for the purchase of the vessel within two (2) years from the date of commencement of this charter then the Broker(s) shall be entitled to and be paid by the OWNER a sales commission.

However, should the CHARTERER purchase the vessel from the OWNER via a Sales Broker to whom the commission as being paid then the OWNER shall pay, or shall ensure that the sales Broker shall pay, a sum equivalent to not less than fifteen (15%) percent of the gross sales commission. It is the responsibility of the OWNER to advise any future Sales Broker of this liability. This only applies following the free choice of the CHARTERER and is not relevant if the change of Broker is suggested or solicited by The OWNER, his agent, Captain or representative. Any dispute under this clause may be separately arbitrated.

e) The Brokers and Stakeholder in this Agreement shall have no responsibility for any loss, damage or injury to the person or property of the OWNER or CHARTERER or any of their Guests, servants or agents, and further the Broker and Stakeholder shall be under no liability for any errors of judgement or description or otherwise of whatsoever nature and howsoever arising and shall be under no further obligation, duty or responsibility to the OWNER or CHARTERER save as set out herein. The OWNER and the CHARTERER shall jointly and severally indemnify and hold harmless the Brokers for any loss or damage sustained by them as a result of any liability by the Broker and Stakeholder to any Third Party (person, firm, company or authority) arising from promoting or introducing this Charter, assisting in the performance of this Agreement or performing their duties as Stakeholders.

f) For the purposes of this Clause, 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.

## CLAUSE 24 NOTICES

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 Yacht.

PLEASE INITIAL: - OWNER:

CHARTERER: