

YACHT SERVICES AGREEMENT – PAGE 1 OF 4

NAME OF VESSEL (“Vessel”): _____ Type: _____
Port of Registry or U.S. official number: _____ Flag: _____ Length: _____
Insurance Limits for Vessel: Hull: _____ Protection & Indemnity: _____ Deductible: _____

This Charter Agreement (“Agreement”) is dated _____ and placed _____
between the Undersigned Parties it has been agreed as follows:

CONTRACTOR: _____ ADDRESS: _____
CHARTERER: _____ ADDRESS: _____
Broker: _____ ADDRESS: _____
Broker (Escrow Agent): _____ ADDRESS: _____

CHARTER PARTICULARS

CHARTER PERIOD: From: _____ Hrs on the _____
To: _____ Hrs on the _____
PORT OF DELIVERY: _____ PORT OF RE-DELIVERY: _____
Cruising Area: _____ Maximum Number of Guests: _____ Overnight Guests: _____ Daytime Cruising: _____
Crew Consisting of: _____

YACHT SERVICES FEE:

Plus: Advance Provision Allowance (A.P.A.) (see Clause 4): _____

To be paid as follows:

FIRST INSTALLMENT: _____
SECOND INSTALLMENT: _____

To the following Broker’s Clients’ Account and it shall only be deemed paid only when cleared.

In addition to the Charter Hire Fee and at cost, the CHARTERER shall pay: 1) all fuel costs for the Vessel, its tenders and all water sports equipment, 2) all harbor, pilot and divers’ fees, customs formalities, water, electricity and national and/or local taxes as applicable, and 3) food and beverages, personal laundry and all communications costs for the CHARTERER’s party. SEE ADDITIONAL CONDITIONS CLAUSE 18.

SIGNATURES

In consideration of the premises and of the agreements hereinafter contained, the CONTRACTOR and CHARTERER expressly agree that **Clauses 1-18**, inclusive, form part of this Agreement, which consists of **three (3)** pages plus any Conditions shown above or Addendums attached and that signed facsimile copies of this Agreement shall be binding. To the extent this Agreement makes references to Clauses contained within the Recreational Bareboat Charter Agreement those clauses are incorporated by reference herein as though fully set forth and all parties hereto by their signature below acknowledge having received a copy of said Clauses. **SEE ADDITIONAL CONDITIONS CLAUSE 18.**

CONTRACTOR.....DATE..... CHARTERER.....DATE.....
.....
WITNESS..... WITNESS.....
PRINT NAME & ADDRESS PRINT NAME AND ADDRESS
OF WITNESS..... OF WITNESS.....
BROKER (ESCROW AGENT)..... BROKER

A.Y.C.A. YACHT SERVICES AGREEMENT

CLAUSE 1. Agreement To Retain.

- A. The CHARTERER hereby retains the CONTRACTOR to be the competent Captain, or supply a competent Captain of the Yacht for the duration of the Charter Period.
- B. The CONTRACTOR agrees to furnish a crew as specified in this Agreement for the management, operation and navigation of the Yacht for the duration of the Charter Period. The Captain and crew shall be properly uniformed throughout the Charter Period. The CHARTERER shall furnish, at the CHARTERER's expense, quarters and food for the Captain and crew.
- C. The Captain and crew shall not use or possess illegal drugs, or firearms on board the Yacht and shall conduct themselves in an orderly and sober manner.
- D. Upon the earlier of termination of the Charter or upon payment of the Yacht Service Fees to the Captain and crew it shall be the CONTRACTOR's responsibility to secure from the crew a receipt acknowledging payment and the crewman's waiver of any and all rights to any maritime liens for wages with respect to the Charter.

CLAUSE 1. Independent Contractor Status.

- A. The CONTRACTOR and the CHARTERER expressly intend that the relationship created between them by this Agreement is that of independent contractor. Any employee, agent, servant, captain or crew of the CONTRACTOR shall never be or deemed to be the employee, agent, servant, captain or crew of the CHARTERER.
- B. CONTRACTOR shall be solely responsible for workman's compensation and any compensation that might be required under the Jones Act, for any and all of its employees, agents, servants, captain or crew, and agrees to hold CHARTERER harmless and to indemnify him for and against any loss, cost, or expense, including, but not limited to, court costs and attorney's fees arising out of a/or with respect to any injury or death to any employee, agent, servant, captain or crew of the CONTRACTOR, or to any third party except as may result from the gross negligence or willful misconduct of the CHARTERER or his Guests.
- C. CONTRACTOR further agrees to hold CHARTERER harmless and indemnify CHARTERER for and against loss, cost and/or expense, including but not limited to, court costs and attorneys fees arising from any violation of any laws, negligence by any of the employees, agents, servants, captain or crew, and arising from property damage to the Yacht, its equipment contents, or to personal property of third parties, not limited to the Yacht, its equipment and contents, that may occur during the Charter Period, except as may result from the gross negligence or willful misconduct of the CHARTERER.
- D. The CONTRACTOR assumes full responsibility for the payment of all assessments, employment taxes, or contributions, whether state or federal as to all of its employees, agents, servants, captain or crew engaged in the performance of work under the Agreement to pay any and all gross receipts or assessments of whatever nature or kind levied or assessed as a consequence of the work performed or on the compensation to be paid under this Agreement and to file any applicable documents required by the laws of any governmental administrative agency.

CLAUSE 2. Captain's Authority.

- A. The CONTRACTOR 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 Vessel, 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 Vessel moving to any port or place that is not safe and proper for her to be in, or might result in the CHARTERER failing to re-deliver the Vessel upon the expiration of the Charter Period, or would, in the reasonable opinion of the Captain, cause a breach of Clause 13 of the Recreational Bareboat Charter Agreement.
- B. With particular regard to the use of water sports equipment, as defined in Clause 16 of the Recreational Bareboat Charter Agreement the Captain shall have the authority to exclude the CHARTERER or any or all of the CHARTERER'S Guests from use of any particular water sports equipment if, in the Captain's reasonable opinion, they are not licensed if required, competent, are unsafe, are behaving in an irresponsible manner, or are failing to show due concern for other persons when operating this equipment.

CLAUSE 4. Operating Costs.

- A. The CHARTERER shall be responsible for the operating costs, as specified under "CONDITIONS" on Page One of this Agreement, for the entire Charter Period for the CHARTERER and the CHARTERER's guests. Having paid the Advance Provisioning Allowance ("A.P.A.") via the Broker's Account and as required by this Agreement, the CHARTERER shall be periodically advised by the Captain as to the disbursement of the A.P.A. If the balance remaining becomes insufficient in the light of current expenditure, the CHARTERER shall pay to the Captain a sufficient sum to maintain an adequate credit balance. The Captain shall exercise due diligence in the expenditure of the A.P.A.
- B. 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 to the Captain the balance of the expenses, or the Captain shall repay to the CHARTERER any balance overpaid, whichever the case may be.

Please Initial: Contractor: _____ Charterer: _____

Revised 2009

A.Y.C.A. YACHT SERVICES AGREEMENT

- C. Payment for special requirements or equipment, shore 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 to the Captain on boarding in addition to the A.P.A.
- D. Unless specific alternative arrangements have been made in writing, in advance, all payments for operating costs etc. shall be payable. Payment by check, credit card or other negotiable instrument is not normally acceptable due to the itinerant nature of the Vessel's season schedule 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 Broker.

CLAUSE 5. Delay In Delivery, Failure To Deliver, Cancellation By Owner. Refund of the Yacht Services Fee and A.P.A. shall be refunded by CONTRACTOR under the same terms as per the Recreational Bareboat Charter Agreement Clause 9.

CLAUSE 6. Delay In Re-Delivery. The terms in Clause 10 of the Recreational Bareboat Charter Agreement, the terms of which are incorporated by reference herein as though fully set forth, shall apply to the Yacht Services Fee and A.P.A. in this Agreement.

CLAUSE 7. Cancellation By Charterer. The Yacht Services Fee shall be refunded by CONTRACTOR to the CHARTERER as per the Recreational Bareboat Charter Agreement Clause 11. Any unused portion of the A.P.A. shall be refunded by CONTRACTOR to the CHARTERER as per the Recreational Bareboat Charter Agreement Clause 11.C.

CLAUSE 8. Breakdown Or Disablement. A pro-rated share of the Yacht Services Fee to the CONTRACTOR and a refund of the Yacht Services Fee and A.P.A. if applicable to the CHARTERER will apply as defined in Clause 12 of the Recreational Bareboat Charter Agreement.

CLAUSE 9. Sale Of The Vessel. Refund of Yacht Services Fee and A.P.A. shall be refunded as per the Recreational Bareboat Charter Agreement Clause 15. Liquidated damages as per Clause 15 of the Recreational Bareboat Charter Agreement shall also apply to the Yacht Services Fee.

CLAUSE 10. Definitions.

- A. Definitions for Force Majeure, CHARTERER, BROKER and ESCROW AGENT shall be the same as per the Recreational Bareboat Charter Agreement Clause 18.
- B. As used herein, the term "CONTRACTOR" and corresponding pronouns shall be construed to apply whether the CONTRACTOR is male, female, or corporate, singular or plural, as the case may be. For the purposes of this Agreement, the term CONTRACTOR 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, and Director of such a company, Beneficial Owner, Nominee, or Agent.

CLAUSE 11. Arbitration, Applicable Law & Venue. Subject to the provisions herein contained and unless otherwise specified in the appropriate space on Page 1 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, such arbitration to be held in the city and state of the CONTRACTOR's residence, unless another place is mutually agreed upon.

- A. 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, the third being appointed by the current president of the American Yacht Charter Association ("AYCA") or the Mediterranean Yacht Brokers Association ("MYBA").
- B. 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 current president of AYCA or MYBA appointing the third Arbitrator shall also appoint an Arbitrator on behalf of the party who fails to appoint an Arbitrator.
- C. 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 High Court.
- D. If either party gives notice of arbitration proceedings, the Escrow Agent, after receiving notification of such proceedings, shall not deal with those monies held by Escrow Agent without a mutual written agreement signed by both the OWNER and CHARTERER or in accordance with the order of the Arbitrators or their final award.
- E. The monies should be held in a designated client account. This account should be interest bearing where banking rules permit. The Escrow Agent 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 12. PAYMENT OF YACHT SERVICES FEE AND A.P.A. TO THE CONTRACTOR. All funds received by the Broker against this Agreement shall be transferred net of commission immediately upon receipt to the Escrow Agent (if the first Broker is not the Escrow Agent) and then held by the Escrow Agent in a designated Account in the currency of this Agreement. Fifty percent (50%) of the Yacht Services Fee shall be paid to the CONTRACTOR by Bank Transfer on the date of commencement of the Charter Period or on the first working day thereafter. The Advance Provisioning Allowance (A.P.A.) shall be paid by the Escrow Agent to the CONTRACTOR and/or the Captain, prior to embarkation, by Bank Transfer. The balance of the Yacht Services Fee shall be paid to the CONTRACTOR on the first working day following completion of the Charter Period.

Please Initial: Contractor: _____ Charterer: _____
Revised 2009

A.Y.C.A. YACHT SERVICES AGREEMENT

CLAUSE 13. COMPLAINTS, NOTICES. Any notices shall be given under the same terms as per Clauses 23 and 24 of the Recreational Bareboat Charter Agreement.

CLAUSE 14. ATTORNEY FEES. The prevailing party shall be entitled to costs, expenses and attorney fees for litigation/arbitration between CONTRACTOR 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 fees incurred while defending any third party claims for which the other party is found to be responsible. Broker shall be entitled to costs, expenses and attorney fees from the losing party for litigation/arbitration arising out of this Agreement or the charter, and Broker shall be entitled to payment from CONTRACTOR for costs, expenses and attorney fees for any action necessary to collect Broker's fees.

CLAUSE 15. BINDING AGREEMENT. All of the terms and provisions of the Agreement, whether expressed or not shall be binding upon, inure to the benefit of, and be enforceable by the parties and their representatives, heirs, and assigns. Any rights given or duties imposed upon the estate of a deceased party shall inure to the benefit of and be binding upon the fiduciary of such decedent's estate in his fiduciary capacity.

CLAUSE 16. WAIVER OR MODIFICATION. This Agreement is the entire agreement between the parties. No waiver or modification of this Agreement shall be effective unless in writing and signed by the parties.

CLAUSE 17. NON-ASSIGNMENT. The CONTRACTOR shall not assign this Agreement without the written consent of the CHARTERER.

CLAUSE 18. SPECIAL CONDITIONS.
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Please Initial: Contractor: _____ Charterer: _____

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