

Bay Breeze Yacht Charters, Inc.
Yacht Charter Agreement

THIS AGREEMENT is made between **BAY BREEZE YACHT CHARTERS, Inc.** A Michigan Company of Traverse City, Michigan ("Bay Breeze") and "Charter Party" ("Charterer")

RECITALS

- A. The owner whose name appears as Yacht Owner in the Yacht Charter Schedule, which is made a part of this Agreement, has appointed Bay Breeze as agent to manage and charter the yacht identified in the schedule as ("Yacht Name").
- B. The parties desire to enter into this Agreement to charter the Yacht.

NOW, THEREFORE, for the mutual covenants and promises as provided herein, the parties agree as follow:

- COMPETENCE**: The Charterer warrants the accuracy of the sailing resume(s) submitted to Bay Breeze in connection herewith. The Charterer further warrants that he or the individuals mentioned in the said resume(s) are experienced and competent in the handling and the operation of a craft of the same general size and type as the yacht, and that the individual(s) so mentioned are capable of assuming the responsibilities of Skipper of the Yacht in respect of crew control, practical knowledge of seamanship, pilotry, and Rules of the Road so as to safely undertake the charter contemplated.
- DELIVERY**: Bay Breeze shall make available the yacht to the Charterer for the period specified in the Schedule. The Yacht shall be available for possession by the Charterer in Traverse City on "Charter Start", pursuant to the Schedule, ready for service the first day of the charter period, provided always that if for any reason the Yacht shall not be available, Bay Breeze shall be entitled to substitute a Yacht of reasonably equivalent type and size. In the event of such substitution, this agreement shall take effect as if references to the Yacht were references to the Yacht so substituted. Removal of the Yacht by the Charterer shall be deemed to indicate the Charterers acceptance of the Yacht and of its condition. If Bay Breeze shall be unavailable to deliver the Yacht as herein provided within twenty-four hours from the time of delivery specified herein, then the Charterer shall be entitled by notice in writing to terminate this agreement, whereupon Bay Breeze shall repay to the Charterer all monies paid to Bay Breeze. If the Charterer shall refuse or neglect to accept delivery of the Yacht within twenty-four hours from the time when it shall be made available as aforesaid, then unless all payments due to Bay Breeze hereunder have been paid, Bay Breeze shall be entitled to charter the Yacht to any third party, or retain the Yacht for its own use, but without prejudice to its right to receive payment from the Charterer in accordance with the terms hereof as if the Yacht had remained at the disposal of the Charterer throughout the charter period.
- CHARGES**: The Charterer shall pay to Bay Breeze charges in the amounts and at the times specified in the Schedule. In the event of cancellation, if Bay Breeze shall succeed in chartering the Yacht to another person for the whole, or any part, of the charter period, the amount payable to the Charterer shall be reduced proportionately except that a minimum cancellation fee of \$500.00 shall be payable in all circumstances. In the event Charterer does not pay to Bay Breeze all of the monies pursuant to the Schedule, Bay Breeze may, at its sole discretion, cancel the charter and retain all monies paid. The security deposit referred to in the Schedule shall be returned to the Charterer within (Fifteen) 15 days of return of the Yacht. Credit card imprints will be destroyed less any amount for which the Charterer may be responsible, including, but not limited to, any loss or liability incurred by Bay Breeze or the Owner by any reason of any breach of the terms of this agreement.
- RUNNING EXPENSES**: The Charterer agrees to accept the Yacht delivered as herein before provided and to pay all running expenses during the time of chartering, including food, fuel, stove fuel, water, and other consumable stores, pilotage, port charges and provisions and supplies for himself and party.
- RESTRICTIONS ON USE**: The Yacht shall only be operated by individuals on the resume' submitted to Bay Breeze by the Charterer. The Yacht shall be used exclusively for pleasure purposes by the Charterer and members of his party. The Yacht shall not be used to transport merchandise or carry passengers for hire or engage in any trade, competition or racing. Charterer recognizes the operation or "making way" of the vessel after dark is strictly prohibited. Additionally, operation of the vessel while intoxicated, under the influence of a controlled substance is strictly prohibited. The Charterer shall ensure that the Yacht shall at all times comply with all relevant laws of all jurisdictions within which the Yacht may be at any time during the charter period. The Charterer shall also ensure that the Yacht is at all times operated in a seamanlike manner with due regard being paid to the preservation of the Yacht and its equipment and in accordance with any instructions given to the Charterer or any other member of his party, by Bay Breeze.
- INSURANCE**: The Yacht is insured against fire, marine inclusion risks and with protections and indemnity coverage but subject to a \$600 deductible clause. The first \$600 of damage or loss is the responsibility of the Charterer. Beyond that

amount, the Charterer is relieved of any liability for such loss or damage, if it is covered by insurance. In case of any accident or disaster, the Charterer must give Bay Breeze prompt notice of the incident.

Dinghies and motors are NOT covered by either the charter vessel insurance policy, security deposit or the Damage Waiver. Charters requesting a dinghy and or motor are required to initial an additional acceptance of financial liability.

Charter Acceptance: _____

The Charterer shall comply with and be bound by the terms, conditions and limitations of the said policies, and shall cooperate with Bay Breeze in the event of any claim or suit. In the event of any loss, accident, breakdown or disaster, the Charterer shall give immediate notice of the same to Bay Breeze. In such an event, the Charterer shall take all steps reasonably possible to preserve the Yacht and its equipment, but shall not attempt to make any repairs, personally or by professionals, of major significance without specific authorization by Bay Breeze. Bay Breeze and the Owner of the Yacht accept no responsibility in the respect of loss, accident, breakdown or disaster beyond the risks covered by the insurance specified herein and the Charterer agrees to hold harmless Bay Breeze, its officials, agents and employees and the said Owner from any and all loss or liability for injury or damaged caused to any person or property in connection with the Yacht. Without prejudice to the generality of the foregoing, the Charterer specifically agrees to assume all responsibility and liability for, and to indemnify Bay Breeze, its officials, agents, and employees and the said Owner in respect of any accidents, injuries, or death. Furthermore, Bay Breeze and the Owner accept no responsibility for any allegedly defective condition of the Yacht and no warranty, implied or otherwise, with respect to the Yacht, related equipment or anything supplied including, but not limited to, any outboard motor, dinghy, fuel, water, ice or provisions.

7. RETURN OF THE YACHT: The Charterer shall deliver the Yacht to Traverse City, specific to the Schedule on the last day of the charter period with all equipment aboard, free and clear of any indebtedness or liens incurred by the Charterer, clean and in the same condition as that in which it was received, normal wear and tear from ordinary usage excepted. If for any reason the Yacht is not delivered as aforesaid, the Charterer shall pay losses sustained by Bay Breeze resulting from such delay including part or whole of the charter fee for the next succeeding charter or from the Security Deposit.

In the event that the Charterer shall leave the Yacht at any other location other than that specified in this Agreement, he/she shall be liable for delivery costs to the location so specified in addition to any other loss by Bay Breeze.

8. GOVERNING LAW: This agreement and the relationship of the parties shall be construed and interpreted pursuant to the laws of the State of Michigan. In the event of a dispute arising between the parties with respect to this Agreement, such dispute shall be referred to three (3) arbitrators: one (1) arbitrator chosen by each party, and the third (3rd) arbitrator chosen by the other two (2) arbitrators. The decision, in writing, signed by at least two (2) of the arbitrators, shall be final and binding upon all parties. The expense in connection with any such arbitration shall be divided equally between the parties.

9. CANCELLATION POLICY: All balances are due 45 days prior to your charter commencement. If you must cancel outside 45 days of your charter scheduled dates, your deposit of \$500 will be retained and credited to the current year on another charter or to the end of the next charter season. If cancellation occurs within the 45 day period, your balance will be credited to the current year on another charter or to the end of the next charter season. If you do not exercise your charter deposit or balance within the allotted period, your deposit or balance is forfeited. If you choose to reschedule your charter again and utilize your deposit or balance in the current year or next charter season, the balance of the total charter will be due upon making your reservation. If you cancel after making reservations a second time, the total balance is forfeited. This cancellation policy applies to the Michigan charter fleet.

IN WITNESS WHEREOF, the parties have executed this agreement this **Monday, July 31, 2006**.

BAY BREEZE YACHT CHARTERS, INC.

CHARTERER

By: _____

By: _____
"Charter Party"