

General Condition

1.Payment

The Charterer binds himself to pay the charter fee and the cautional deposit as provided by the present charter party. In case all these payments are not paid or the terms are not observed then this charter party will be automatically cancelled and the Lessor shall be entitled to retain what has been received and to claim the damages suffered.

2.Command of the yacht

In case the Charterer doesn't have a license in possession by law for the cruise, he has to appoint the Captain who shall also sign this charter party undertaking all those obligations entailed under it. The Lessor or his representative has the right to ask the Charterer or his crew the license valid in Italy. In Judgement of the Lessor or his representative, if the knowledge and ability of the license holder are not considered sufficient for the safety of the people on board or of the yacht chartered, the Lessor or his representative may propose the presence of a Captain to the Charterer at his charge otherwise the charter party will be automatically cancelled and the Lessor shall be entitled to retain what has been received.

3.Charterer and captain duties

The Charterer and the Captain shall use the yacht with particular diligence according to its technical characteristics and the agreed employment. The Charterer and the Captain are jointly and severally responsible for any violations of this charter party and they bind themselves to pay for any request made to the Lessor for any happenings made during the charter period or in its consequence.

4.Delivery and instruction for use

The Lessor must deliver the yacht at place and time foreseen by this charter party giving it in a condition of seaworthiness, with all its accessories, equipment, safely equipment and navigational papers as required by law duly insured against all navigation risks, special average and third party liability. At the delivery, the Lessor will give an inventory list to the Charterer, who will confirm to have received the yacht with all its required accessoires and supplies. Any kind of protest will be not accepted after the delivery. The period of time spent to explain the instruction of use and to check the inventory list will be considered a part of the charter period.

5.Delayed delivery

If for any reason the Lessor is unable to deliver the yacht, he will be entitled, having informed the Charterer, to deliver another yacht with similar characteristics within 48 hours and he will refund the Charterer for the period of delay at the pro-rata daily charter fee. If the delay exceeds this period, for any reason not imputable to the Lessor, the Charterer will be allowed to confirm his charter with the refund for the lost days or to give up the whole charter and to claim the repayment of the whole charter fee with interest but not be entitled to damages. This decision shall be immediately communicated in writing to the Lessor and the contract will be considered rescinded.

6.Use of the yacht and restrictions

The Charterer and the Captain bind themselves to use the yacht exclusively for pleasure cruising between safe and secure ports and anchorages where it can enter, remain and set sail safely and lie always afloat within the cruising area. They must take note that it is not allowed to transport goods, passengers or any other commercial items. Moreover the Charterer and the Captain bind themselves. a) to respect the minimum crew and the maximum number of persons allowed on board. b) to use the yacht within the above mentioned cruising area and not to leave Italian territorial waters without the written consent of the Lessor. c) to obtain a written authorization on the part of the Lessor to take part in races, regattas or competitions. d) not to ask to be towed or tow other vessels except under emergency circumstances. e) to respect the guesting country laws, especially the set of rules concerning customs declarations, fishing, scuba diving and the dispositions of harbour. custom and sanitary Authorities. f) to follow the competent Authorities dispositions when navigation is not allowed because of any reason (bad weather, danger of area) and not to leave the port or the anchorage or, if the yacht is in navigation, to enter the nearest port or safe place at once when the wind and sea are or are predicted to be over five of Beaufort scale or when vessel or crew conditions are such as to affect the safety of the vessel and their guests. g) to moor the yacht near the coast in a safety position and never leave it without control. h) not to give sailing lessons. i) not to keep any kind of animals on board. j) to enter in the yachts log book arrivals and departures from the ports, atmospheric conditions,

hours cruised using engine, damages, repairing etc. k) not to sail in dangerous areas in consequence of wars, hostilities, military operations, revolutions, riots and where the navigation is forbidden, taking note that Insurances are not acting. l) not to keep firearms or drugs on board even for personal use.

7.Maintenance of the yacht

The maintenance of the yacht is charged to the Charterer, who binds himself to take care of the yacht, to keep it and its accessories in order and clean and to provide for normal maintenance (oil changes, care of the engine, batteries, winches, sails etc). During the charter period the expenses for damages due to major force or normal wear due to the normal use of the yacht under the terms of this Charter party will be paid in advance by the Charterer and they will be refunded at the end of the charter.

8.Running costs

The Charterer is responsible for any costs relating to the use of the yacht during the charter period, and in particular for fuel, lubricating oil. water, electricity, port charges, customs duties and mooring fees, including those in private marinas, as well as costs incurred by the use of radiotelephone equipment on board. The Charterer is also responsible for any monetary or administrative penalties, including those notified to Sailitalia following the return of the yacht, and undertakes to reimburse in full any sum paid in advance by Sailitalia upon request of the same. Any costs not yet calculated at the end of the charter period shall be paid by the Charterer following an indisputable evaluation by the Charter Company and subsequently documented by the same

9.Damages and repairs

The Charterer must inform in writing, best by fax, the Lessor or his representative of any averages, damages and anomalies which may have occurred on the yacht within 24 hours. The Charterer can continue the navigation only if it does not worsen the damage or if it does not expose the yacht and people on board in danger. The Charterer shall previously and necessarily obtain the consent in writing of the Lessor, for price and technical suitability of all repairs to be made, in order to be refunded at the end of the charter. If the Yacht is damaged, independently of the Charterers fault, such as to prevent the reasonable use of the yacht for a period exceeding 48 consecutive hours since the possible intervention, when in Italian waters, or 72 consecutive hours, when in foreign waters, the Lessor shall refund the Charterer for the period at the pro-rata daily charter fee and the Charterer must not put forward any right for further damages. If the time necessary to repair the yacht exceeds 96 consecutive hours, the Charterer shall have the right to terminate the charter and to claim the pro-rata repayment for the part of the charter period that commenced at the time of disablement. According to the organizing requirements the Lessor shall allow a pro-rata extension of the charter period adding the days of disablement if any repair is necessary at the Charterer expenses, these shall be effected before redelivery. Anyway the Charterer shall refund the Lessor for the needed time for the repairs exceeding the charter period and further damages because of this waste of time.

10.Redelivery and observance of the terms

The Charterer binds himself to redeliver the vessel in the terms and in the port above defined, without any debts that he might have had during the charter in as good a condition as when delivery was taken with all the accessories, equipments, supplies and documents received from the Lessor. The cruise itinerary must be planned in order not to delay the redelivery, that must be anticipated in case of bad weather forecast. If the redelivery doesn't occur in the defined time, the Charterer shall pay a penalty equal to twice the daily hire rate agreed for each day or fractional part of a day exceeding two hours until the redelivery will be effected and the Lessor will be entitled to claim the repayment for damages due to the failed or delayed delivery to the following user of the yacht. If the Charterer doesn't end his cruise in the defined port, the time required to take the yacht to the port of redelivery, will be considered as delay and he shall pay all costs for transferring the yacht to the agreed port of redelivery. The parties agree that the delay of redelivery cannot exceeds five days, if any written authorization will be given by the Lessor, the Charterer declares that he knows his behaviour. Both parties agree that a delay in the re-consignment of the yacht should never exceed five days unless there is a written authorization on the part of the Lessor. The Charterer declares that he is aware that his behaviour implies an "interversio possessionis" (interversion of the possession) of the hired yacht and the offence of embezzlement.

11. Release or interruption

In case of the Charterer's release to the charter party he has to Inform Immediately in writing the Lessor who will be entitled to claim or to retain:

a) the down payment, if the notice arrives before the date agreed for the settlement; b) the full charter fee, if the notice arrives within 30 days before leaving. However, if the Lessor will be able to re-let the yacht to other Charterers for the same period at the same conditions first agreed, he will return all payments received, deducting all expenses (commission included) incurred for this charter and the new one if the cruise is voluntarily interrupted, the Charterer won't have any refunds, but he shall pay all expenses due to this anticipated redelivery to the Lessor.

12. Caution

The caution paid in security for any obligation of the Charterer, the Captain or the guests, will be returned to the Charterer, without interests, after having ascertained that no damages, contractual violations and obligations have been made during the charter period.

13. Insurance

The Insurances made by the Lessor don't cover the loss of damage of items belonging to the Charterer and his guests, tort liability towards the things of third party and towards the Charterer's parents on board.

Insurance conditions will be all known by the Charterer, because a copy of them will be given to him before embarkation. In any case, the Charterer shall pay for any damage not covered by the insurance due to the Charterers' responsibility, the franchise and the inadequate insured value.

14. Bad weather conditions

The Lessor doesn't take on any responsibility for departure delays or cruise interruption due to bad weather conditions or to Orders issued by the Port Authority.

15. Remuneration for assistance, salvage and recovery

During the charter, any benefits for salvages, towages and assistance operations shall be equally shared between the Lessor and the Charterer after deducting expenses and hire for the charter period not enjoyed. All measures undertaken by the Lessor to have payment for assistance and salvage will be binding for the Charterer and Captain.

16. Sub-chartering and transfer of contract

The Charterer is not allowed to sub-charter the yacht or to give up the rights which result from the present charter party.

17. Registration costs

Any possible registration costs of this charter party and any other costs relating to it will be charged to the requiring Party.

18. Controversy

Any controversies about interpretation or execution of this charter party will be referred to an arbitration board in Messina, consisting of three members, one of those appointed by each party and the third one chosen by these two arbitrators. In case of lack of agreement the third one will be appointed by the Harbour Master of the Harbour Office of Messina. The Arbitration board will decide as friendly composer with all kind of freedom of procedure.

19. Applicable law

With regard to what not specifically stipulated in the present charter party, reference is made to the current Italian legislation if this charter party is translated, the Italian one will be considered prevalent for interpretation or discrepancy.

20. Brokerage commission

Any brokerage commission in respect of the stipulation of this charter party are charged to the Lessor. With this charter party the Lessor gives an his behalf a mandate to the Broker to receive the down payment and the settlement of the charter fee retaining his commission. The commission will be in any case entirely paid, after the down payment, even though the charter is cancelled.