

## General Conditions of Transactions – Conditions of Charter

- Prior to the take-over, the lessee is obliged to convince himself of the unobjectionable state of the yacht and of her equipment and to examine the inventory. Possible complaints have to be reported to the lessor prior to starting the voyage. They have to be recorded in the check list in writing. The check list is to be signed by the lessee and the lessor. By these signatures the lessee obtains the full power of disposal over the yacht.

Hidden defects existing at the time of take-over or defects occurring after the handing over of the yacht and her equipment do not entitle the lessee to demand back the charter fee unless the defects were known to the lessor or unknown due to gross negligence.
- The skipper is responsible for obeying all legal regulation and safety requirements – also for his crew members. The lessee has the obligation to keep the log carefully and to comply with the regulations of the region of voyage. He has to present the list of his crew members to the nearest harbour master's office. The fees for this, the port charges and all additional costs are for the account of the lessee.
- The skipper must be in the possession of the Master's Certificate required for the yacht (at least Official Master's Certificate for Sport Boats with proof of experience or (German) BR-Certificate) and he must be suitably qualified for commanding the yacht. The lessee binds himself to take aboard only the number of persons authorized for the yacht. He binds himself to use the yacht only for sport shipping within the limits of the valid shipping and Customs laws, excluding all kinds of trade, professional fishing, hiring out, transport, races or similar activities. Towing other craft is restricted to cases of emergency. Sublease or hiring out the yacht is prohibited. Even in case of an innocent violation of these prohibitions, the lessee relieves the lessor of all his responsibility in the latter's capacity of owner and in all other capacities, and the lessee is personally liable for all legal proceedings, criminal prosecution, fines, and confiscation. In case of seizure or confiscation, the lessee is liable for full compensation of damages to the lessor.
- If damages due to normal wear occur during a voyage, which render reasonable an immediate repair, then the lessee is entitled to have these repairs executed, if their value does not exceed DM 250.--. These expenses are reimbursed upon presentation of the invoice. For all other repairs exceeding the amount of DM 250.--, the lessee is obliged to consult the lessor or his representative and to obtain his approval prior to placing an order for repair.
- In case of gross average (collision, fire, broken mast etc.) the lessee is bound to immediately inform the lessor and to request his instructions. He is obliged to have a record drawn up by the appropriate authority. In case of theft of the yacht or of a piece of equipment, the lessee is obliged to report the case to the police.
- Should the lessee fail to fulfil these formalities, then he can be made responsible to pay the total expenses caused by the average or the theft.
- Damages not covered by the hull insurance and which are to be attributed to recklessness or inattentiveness, - i.e. to slight negligence – (e.g. letting the anchor go, loosing the dinghy or other objects, letting the genoa fly from the leach rope, bending the pulpit when going alongside, etc.) are to be borne by the lessee in full extent.
- If a damage to be repaired does not impede the continuation of the voyage, then the lessee is obliged to return at least 24 hours prior to the end of the charter in order to make possible the repair and not to delay the following charter. If the damage is not due the lessee's fault, then the proportion of the charter fee for this day of premature return is reimbursed to him in money. The non-observance of this agreement is equal to a late return. Besides, a loss of use during the period of charter does not substantiate a claim for reimbursement of the entire or a part of the charter fee.
- Towing.

If the lessee takes a tow of the yacht by towage service then – irrespective of the reasons - the lessee has to bear himself the full cost of towage.
- The lessor confirms that the following coverage of insurance exists for the lessee  
Legal third-party liability (up to DM 1.000.000.--, lumpsum); full hull insurance with a self-participation in case of damage, theft, and burglary. The insurance is not liable for damages by accidents of all persons aboard and for objects brought aboard.
- The period of use agreed upon is inclusive of the time for handing over and take-over of the yacht. The boat is handed over to the lessee with full tanks. When returning the yacht, the lessee will hand it over in the same state. The condition of the ship and the completeness of her equipment is checked by means of a check list and confirmed by signature. All consumed fuels (fuels, oil, gas) are for the account of the lessee.
- After the end of the period of use, the lessee hands over the boat to the lessor for verification of her state and completeness and of the full ability to function. Parts lost, damaged or no longer functioning are to be reported to the lessor immediately upon return. They are directly negotiated and charged against the deposit sum. The lessee binds himself to hand over the ship free of his personal effects and in an unobjectionable state.
- Upon return of the yacht free of defects, the deposit sum is reimbursed immediately. In case of an event giving rise to an insurance claim, the deposit sum will be reimbursed upon adjustment by the insurance company.
- If during the checkout manipulations of the technical installations (e.g. engine, electric installation) are detected, then DM 400.-- are withheld from the deposit sum for restoring the previous state.
- If –irrespective of the reasons – the lessee is not in a position to take up the use the time agreed upon, then he will immediately inform the lessor. If a replacement crew able to fulfil the conditions of the contract can be made available, then all payment made – reduced by a handling fee of 20 % of the charter fee - will be reimbursed to the withdrawer. If no crew can be made available, then the lessor is entitled to a sum corresponding to 2/3 of the charter fee. It is recommended to the lessee to insure himself against loss by resigning from a journey.
- The lessor binds himself to make available the boat at the time agreed upon with the specified equipment and in an unobjectionable state ready for sailing. Should the lessor be unable to make available the yacht mentioned above within 48 hours after the time agreed upon due to a damage occurred during the previous charter or for any other reason for which he cannot be held responsible, then the lessor has the right to reimburse the full charter fee to the lessee or to make available a yacht of the same standard. More extensive claims are excluded.
- The contract comes into force by the receipt of the down payment and the return signed copy of this agreement.
- The return to the port of departure at the time agreed upon is mandatory. The lessee has to report his return to the lessor. In case of late return he is liable for compensation of any damages – irrespective of the reason of his late return. Adverse weather conditions do not release the lessee from his obligation to return the yacht in time. The minimum compensation of damage is twice the daily chart fee. For the last 24 hours of the charter it is recommended to the lessee to hold the yacht in a position from which the port of departure can be easily reached.
- If any of the stipulations of this contract should be invalid, then the remainder of the stipulations remains nonetheless valid. A stipulation no longer applicable will be replaced by a legally valid agreement coming closest to the assumed will of the parties at the time of conclusion of contract. Oral agreements are invalid, alterations or amendments must be drawn up in writing.

Read and accepted: