

**SAIL HASTY HEART, LLC
BAREBOAT CHARTER AGREEMENT**

This Bareboat Charter Agreement (the Agreement), dated as of the _____ (the Effective Date), is made and entered into by and between SAIL HASTY HEART, LLC (herein called the Owner), a California limited liability company, herein represented by and appearing through its duly authorized representative, and _____ (herein called the Charterer) (the Owner and Charterer are hereinafter collectively referred to as the "Parties" or individually as a "Party"), under the following terms and conditions:

TERMS & CONDITIONS:

WHEREAS, Charterer desires to bareboat charter the vessel HASTY HEART, a 61-foot Nautor Swan sailing yacht, U.S. Official No. 1043299 (the "Vessel") from Owner and Owner desires to bareboat charter the Vessel to Charterer under the terms and conditions hereinafter set forth; NOW, THEREFORE, in consideration of the premises and the covenants herein contained, the Parties hereto mutually agree as follows:

ARTICLE 1 – CHARTER.

Owner agrees to let, and Charterer agrees to charter the Vessel from _____ [start time] on _____, until _____ [end time] on _____, (the "Charter Period") for a total sum of \$_____, ____% of which shall be paid upon the signing of this agreement as a charter deposit (\$_____). The balance of \$_____ shall be due on the day of the charter.

ARTICLE 2 – DELIVERY.

The Vessel shall be delivered in full commission and in proper working order to the Charterer at or before the time specified in Article 1, to slip # 110 at Clipper Yacht Harbor, 310 Harbor Drive, Sausalito, CA, or other mutually agreed upon location. The Charterer has the right and obligation to survey the Vessel upon its delivery and return. The Vessel Survey Checklist provided for this purpose is incorporated herein and made a part of this agreement. Acceptance of the Vessel by the Charterer after Charterer has inspected said Vessel constitutes an acknowledgement that due diligence has been exercised and that the Vessel is in seaworthy condition. Should it be impossible for the Owner to make delivery as stipulated, then this Agreement may be canceled by the Charterer and any moneys paid shall be returned to the Charterer without further liability for the Owner.

The Charterer agrees to return the Vessel to slip # 110 at Clipper Yacht Harbor, 310 Harbor Drive, Sausalito, CA, or other mutually agreed upon location, at or before the time and date specified in Article 1. The Charterer further agrees to redeliver the Vessel, her equipment and furnishings, free and clear of any indebtedness incurred by the Charterer or for the Charterers account, or for the Owner's account unless said indebtedness incurred for the Owners shall be

pursuant to written authorization by the Owner. Should it be impossible for the Charterer to make redelivery of the Vessel as stipulated, he shall pay demurrage pro rata to the Owner for the time that such delivery was delayed as well as the Owner's costs incurred as a result of said recovery or abandonment, except in the event of total loss or serious damage to the Vessel, in which event the rights of the parties shall be determined by Article 3 as follows.

ARTICLE 3 – INSURANCE.

The Owner agrees to keep the Vessel fully insured against fire, damage, marine collision, risk, hazards of the voyage, including engine, hull and vessel equipment for the term of the Charter Period. During the Charter Period and any extension thereof, the Charterer shall be liable for any loss, damage, or injury that may be the fault of, or occasioned by the negligence of the Charterer, his guests or servants. In case of any accident or other disaster, the Charterer shall give the Owner prompt notice of said loss.

ARTICLE 4 – CHARTERER'S CERTIFICATION.

The Charterer certifies that he or she has or will employ (separately from the rental of the boat and at his or her own expense, to be paid separately from the rental of the boat) a captain (US Coast Guard licensed) and crew experienced and competent in the handling of a yacht of this type and size, and that the employed captain and crew has sufficient knowledge of seamanship, piloting, mechanical systems, and rules of the road to safely operate the Vessel. Charterer agrees not to allow the operation of the Vessel by anyone not so qualified during the term of this charter.

Owner has the right to reject any captain or crew who, in the owner's opinion does not possess the skill and expertise necessary to properly manage the Vessel.

Owner hereby certifies without inquiry the following captains, who have experience sailing this vessel: Captain Richard Gillette, Captain James Hancock, Captain Robert McCreary and Captain Gerry Robertson, If charterer chooses to hire a captain not mentioned here, the following procedure must be followed: the proposed captain and crew must verify their competence by sea trial with the owner to ensure that they are qualified to operate the vessel. Once qualified, said captain and/or crew will be certified to operate this vessel without further inquiry.

The Charterer has selected _____ as captain for this charter.

Crew selected are _____.

ARTICLE 5 – INDEMNIFICATION.

The Charterer has been informed by the Owner of the U. S. Coast Guard's policy of "zero tolerance" of drugs aboard vessels and warrants to the Owner that there will be no illegal drugs or other contraband brought aboard the Vessel at any time during the Charter Period or extension thereof. Charterer further agrees to indemnify the Owner from any and all losses, fines, penalties, damage, and any other type of loss, including legal fees and costs through the appellate level, incurred by the Owner in defending any action brought against the Owner by a

governmental agency, whether local, state, or Federal for the violation of any and all contraband laws or governmental regulations. The Charterer further agrees to indemnify and save the Owner harmless from any and all liabilities for loss, damage, accident, or injury to himself or third persons, occasioned by the negligence of the Charterer.

ARTICLE 6 – NAVIGATION LIMITS.

The Charterer agrees to restrict the cruising of the Vessel to any navigable area within the San Francisco Bay and Near Coastal Waters. Charterer agrees that all navigational limits are subject to weather and Owner does not guarantee destination in the event of hazardous sailing conditions.

ARTICLE 7 – BAREBOAT CHARTER.

This charter shall at all times be construed as a BAREBOAT CHARTER. The Charterer assumes all rights and responsibilities of the owner of the Vessel for the term of the charter. Full possession and control of the Vessel is vested in the Charterer. The Charterer may discharge, for cause, the captain or any crew member without referral to the owner. The Charterer shall outfit the Vessel with whatever food, beverages, and other supplies are desired. Any damage incurred by the charterer is the responsibility of the charterer.

ARTICLE 8 – MAXIMUM CAPACITY.

Charterer agrees to limit the total number of passengers on board the Vessel during the Charter Period to 12.

ARTICLE 9 – RUNNING EXPENSES.

All port charges, fuel costs, and pilotage fees, if any, are to be paid by the Charterer.

ARTICLE 10 – RESTRICTED USE.

The Charterer agrees that the Vessel shall be employed exclusively as a pleasure vessel for the sole and proper use of him/herself, family, guests and servants during the term of this charter. The Charterer shall not transport passengers for pay or engage in any trade nor in any way violate the revenue laws, or any other laws of the United States, each and any of the sovereign states, or any other government or jurisdiction whose waters the yacht may be in. If the Vessel is found or detained in relationship to any illegal operation all funds and deposits will not be returned and Charterer is responsible for any additional fees related to the safe return of the Vessel to Clipper Yacht Harbor, and any required repairs.

ARTICLE 11 – BREAKDOWNS.

The Owner agrees that should the Vessel, after delivery, sustain a mechanical breakdown to the propulsion system through no fault of the Charterer (the propulsion system defined as the main diesel or gasoline engines, the transmissions, the shafts, the rudders or props including the steering system), the Owner shall make a pro rata return of hire for the period of time that the breakdown renders the Vessel unfit for use. Any incidental breakdowns to vessel equipment other than to the main propulsion system shall not be cause for cancellation of the charter or pro-ration of the Vessel fee.

ARTICLE 12 – DIVING AND SWIMMING.

The Owner and insurance underwriters of the Vessel accept no responsibility or liability for accidents, injuries or death due to swimming, snorkeling, or the use of SCUBA equipment, or any other water sports equipment, whether or not it is supplied by the Owner or Charterer. Any loss resulting from these activities during the Charter Period will be the responsibility of the Charterer.

ARTICLE 13 – NON-ASSIGNMENT.

The Charterer agrees not to assign or sub-charter the Vessel without written permission.

ARTICLE 14 – CANCELLATION POLICY.

The Charterer may cancel this contract up to seven days prior to boarding. The owner may cancel this contract if it is determined prior to departure that conditions are unsafe due to weather. In either event the deposit will be returned to the Charterer.

ARTICLE 15 – DEFAULTS.

It is mutually agreed that should any installment of the charter fees not be paid on the date designated, the Owner shall have the right to cancel the charter, resume possession of the Vessel, retain any moneys previously collected, and pursue any other rights the Owner may have against the Charterer.

ARTICLE 16 – LIENS.

The Charterer, charterer's agents and employees have no right to power or permit or suffer the creation of any maritime liens against the above named Vessel. The Charterer agrees to indemnify the Owner from any charges or losses in connection therewith, including reasonable attorney's fees.

ARTICLE 17 – DISPUTE RESOLUTION.

Any controversy or claim arising out of or relating to this agreement, or breach thereof, shall be settled by arbitration in accordance with the rules of The American Arbitration Association, said arbitration to be held in the County of Marin, California. Judgment upon any award reached by the arbitrators may be entered in any court having jurisdiction thereof. Any litigation arising out of or in any way related to this agreement or charter will be held in either the County of Marin or the County of San Francisco, California. Charterer further agrees to pay reasonable attorney's fees incurred by the Owner in enforcing the provisions of this agreement.

ARTICLE 18 – SEVERABILITY.

If any provision of this Agreement is deemed or held to be invalid, illegal or unenforceable, such invalidity, unenforceability or illegality shall not affect the validity, enforceability or legality of the remaining provisions of this Agreement and this Agreement will be deemed to be amended to the extent necessary to make it valid, enforceable and legal, or, if necessary, this Agreement will be deemed to be amended to delete the invalid, unenforceable or illegal provision or portion thereof. In the event any provision is deleted or amended, the remaining provision(s) will remain in full force and effect.

IN WITNESS WHEREOF, the Charterer has read this Agreement and its provisions in their entirety and fully understands the terms by which he or she will be bound. The Charterer hereby causes this Agreement to be executed in his or her name by signing below.

By: _____
Printed Name of Charterer

Signed: _____
Signature of Charterer