

## CHARTER CONTRACT - GENERAL CONDITIONS

DEFINITIONS: SOUTH WEST YACHT SERVICES S.L. (RENTOR) THE CLIENT (RENTEE)

- 1.- SUSPENSIVE CONDITION.**- Validity of this contract is subject, by way of a suspensive condition, to the payment by the RENTEE of the amount for reservation stipulated in the general condition below, and reservations are not therefore effective until said payment has been made.
- 2.- PAYMENT.**- A.- Reservations will be made on receipt of a deposit, in the RENTOR'S offices, of 30 % of the total rental price. If this payment has not been made in advance, the deposit must be made without fail on signing this contract.  
B.- The rest of the amount due for the rental period must be paid before ... days prior to embarkation. Failure to pay will result in cancellation of the contract, and the amount already paid as a deposit will be kept by the RENTOR as compensation.  
C.- Only cash, an authorised cashier's cheque or a bank transfer will be accepted for the payments described in the general and specific terms of this contract.
- 3.- DEPOSIT.**- On the day of embarkation the RENTEE will pay the RENTOR the deposit indicated in the specific conditions, and it will be used as a warrant against cancellations, repairs, breakages, damage, theft, delays in returning the vessel, differences in the inventory and equipment, compensation, improper use, negligence and penalisation of any kind agreed upon in this contract or which may arise as a consequence of fulfilment of said contract. All of which does not affect any legitimate legal action to claim amounts which may exceed that of the deposit.  
When the vessel has been returned within the agreed time, the approved checkout has been carried out and the RENTEE has complied with any requirements which may have arisen as a result of the agreement within this contract, the deposit will be returned within fifteen days to be counted from the date of disembarkation. In the event of the existence of discrepancies between the parties on the return conditions of the vessel and the goods on the inventory, the deposit will be returned on termination of the dispute.
- 4.- INSURANCE.**- The vessel which is the object of this contract is covered by an insurance policy, a copy of which is available in the RENTOR'S offices, and the RENTEE declares he or she is familiar with its contents and extent of cover, and undertakes to take whatever measures are necessary to act in accordance with the obligations described in it, and will be the sole responsible party for any consequences deriving from failure to comply with said obligations, if applicable.
- 5.- DURATION.**- The duration of the rental period as foreseen in the specific conditions of this contract may not be varied or altered without prior authorisation from the RENTOR.
- 6.- CANCELLATIONS.**- Up to two months prior to the date foreseen for embarkation, the RENTEE may unilaterally waive the contract with no obligation to pay compensation and have the right to the refund of the amount paid. If the RENTEE decides to waive the contract after two months and before 30 days prior to the delivery date of the vessel, the RENTOR will return 99 % of the amount received to the RENTEE, and keep the remaining 1 % in respect of damages caused by said cancellation. If the RENTEE cancels after 30 days before embarkation, he or she will lose the total of the amount paid to the RENTOR, whatever the amount.
- 7.- INVENTORY.**- Before the embarkation date, and within normal opening hours, both parties will proceed to check the vessel and draw up the corresponding inventory. Once this has been done the corresponding document will be signed in agreement as proof. The RENTEE may not refuse to carry out the check or sign the document, even with the warnings he or she may deem necessary. If the check is carried out within the period foreseen as duration of this contract, this does not imply an extension of the contract period by the time the check lasts.
- 8.- RETURN OF THE VESSEL.**-The vessel must be returned within the time and in the place determined in the specific conditions of this contract. When the vessel is returned the checkout will be carried out by both parties, and at the end of the checkout the corresponding document will be issued in agreement and as proof.  
In the event of the RENTEE failing to return the vessel at the time and in the place agreed, he or she must pay an amount consisting of double the daily hire price to the RENTOR for each day of delay in respect of damages, except in the event that the delay in return is due to a risk or danger situation covered by the vessel's insurance policy. In any event the RENTEE undertakes to inform the RENTOR immediately so that the latter can confirm the circumstances and recover the vessel. The RENTEE undertakes to ensure he or she brings the vessel to within a radius of 20 nautical miles from the delivery port within the last 24 hours of the hire period and to communicate his or her position to the RENTOR by VHF radio or telephone.  
After 24 hours from the time foreseen for return of the vessel, if this has not taken place, and if there has been no news of the RENTEE, crew or vessel, the RENTOR will initiate a search communicating with the relevant maritime authorities. All the expenses arising from this will be met by the RENTEE.  
The vessel must be returned in identical conditions with regards to functioning, equipment and inventory, to those at the start of the hire period.  
If after the checkout any deterioration or breakages in the equipment or functioning of the vessel, or losses of articles in the inventory and equipment were detected, the price of the repairs and replacements will be paid for by the RENTEE. Said amount will be determined, in the case of articles, based on the values calculated by the RENTOR in his or her accountancy, which will be shown to this end to the RENTEE, and in the case of repairs using an estimate by a specialist firm.  
All damages arising from deterioration or losses will be paid for by the RENTEE in the event of their not being covered by the vessel's insurance policy.
- 9.- IMPOSSIBILITY OF DELIVERY OF THE VESSEL BY THE RENTOR.**- If, due to breakdown or for any reason beyond the RENTOR'S control, generated before the start of the rental period, delivery of the rented vessel is not possible, a vessel with identical or similar characteristics will be delivered to the RENTEE. Should this not be possible, and at the choice of the RENTEE, a vessel of an inferior category will be delivered (with the consequent refund of the proportional difference in the price of the rental period) or the total price paid for the rental period will be refunded.
- 10.- BREAKDOWN OF THE VESSEL DURING THE CONTRACT PERIOD.**- If due to a breakdown during the rental period or for other reasons not attributable to the RENTEE, it were not possible to continue in the rented vessel, the RENTOR will refund the proportional amount corresponding to the days when use of the vessel was not possible, or provide a vessel with similar characteristics, if possible, of the RENTEE'S choice. This circumstance will in no case give the RENTEE the right to extend the hire period.  
The RENTEE will not order any repairs to be made without first having informed the RENTOR first, who must give his or her permission. The repair costs will be paid by the RENTOR.  
A breakdown caused as a consequence of negligence, incompetence or improper use of the vessel by the RENTEE will be paid in full by the latter, and the RENTOR will understand this contract to be terminated and reserve the right to claim for any damages the breakdown may cause. In this case the stipulations described in the first paragraph of this condition will not be applicable.
- 11.- BAILEE'S LIEN (SEIZURE AND CONFISCATION).**- Improper use of or negligence concerning the boat, infringing current legislation on the part of the RENTEE, will be sufficient reason for the instantaneous cancellation of the contract, with the quantities paid until then remaining in the RENTOR'S power with no right to refund on the part of the RENTEE. In the case of an infringement of customs regulations or those of any other authority by the RENTEE, the latter will be held responsible for all fines, sanctions and liabilities which may arise, as well as for any consequences. In the event of seizure of the vessel, the RENTEE will pay the RENTOR, in respect of compensation for the damages caused, a sum equivalent to double the daily hire price for each day that passes until the boat is redelivered. In the event of confiscation, the client will pay the full price of the boat within a period of eight days. In both cases the RENTEE will lose the quantities paid hitherto, which will be kept by the RENTOR.
- 12.- EXPENSES.**- All the expenses for victualling, fuel, lubricants, gas, ice, berths in ports and marinas, and in general the costs of materials and maintenance of the boat during the hire period, will be met exclusively by the RENTEE, and are not included in the price of hire. Also payable by the RENTEE are the costs of use of the berth in the RENTOR'S jetty, with the exception of the first and last day of the rental period.
- 13.- QUALIFICATIONS.**- In the event of the rental period being arranged without a crew, the RENTEE must send a copy of the qualifications or permit and of the identity card or passport of the person who will carry out the functions of skipper of the vessel one month before the date agreed for delivery of the vessel, for the purpose of obtaining recognition of the qualifications from the corresponding authorities. If the documents presented do not constitute authorisation for the running of the vessel or do not prove sufficient necessary technical competence, the contract will automatically be cancelled and the amounts paid hitherto will be kept as damages by the RENTOR.
- 14.- NAVIGATION ZONE.**- The navigation zone will be that stipulated in the specific conditions of this contract, and will also be limited in accordance with the powers granted by the qualifications of the skipper presented. Failure to fulfil said obligation will imply the automatic cancellation of the contract with the loss of the amounts paid to this end, independently of the payment of expenses and responsibilities which may derive from said improper use.
- 15.-CONDITIONS OF USE.**- The RENTEE will be held responsible for all actions by persons indicated in the list of passengers, which may in no case exceed the maximum capacity of the vessel. It is specifically forbidden to use the vessel to transport merchandise, passengers other than those indicated in the previous point, for the embarkation of arms, animals, drugs or any toxic or dangerous substance.  
The RENTEE undertakes to use the vessel exclusively as a tourist or leisure charter and may therefore in no case use it for commercial operations, professional fishing, transport, sporting competitions, and any other activities incompatible with the destined use of the boat.  
The RENTEE, as the sole person responsible for the vessel during the rental period, will use it responsibly, respecting the regulations of the relevant authorities, and he or she is solely and exclusively liable for any consequences arising from failure to comply with said regulations.
- 16.-SUBCONTRACTING.**- Subcontracting or transfer of the vessel by the RENTEE is strictly prohibited.
- 17.- PERSONAL EFFECTS OF THE PASSENGERS DURING THE CONTRACT.**- The RENTOR accepts no responsibility for damage to or loss of the personal effects of the passengers which may occur during the rental period.
- 18.- ACCIDENTS.**- The RENTEE undertakes to inform the RENTOR immediately of any accident and to transmit any letters, summonses or notifications referring to said accident to the RENTOR and to collaborate fully with the RENTOR and the Insurance Company during the investigation and defence of any claim or trial.  
He or she will take the following steps at the time of the accident or occurrence:  
Not recognise or prejudice responsibility for the accident, except in the case of the "Friendly Accident Declaration".  
Obtain full details of the other party involved, perform the "Friendly Accident Declaration" or the "Accident Report", and witnesses, and send these urgently to the RENTOR along with details of the accident, notifying the RENTOR by telephone in the event of a serious accident.  
Notify the authorities immediately if the other party involved is responsible.  
Not leave the vessel without taking suitable steps to protect and safeguard it.
- In the event of failure to comply with any of these measures, if they are applicable, by the RENTEE, the RENTOR may claim damages from the RENTEE due to negligence.
- 19.- THEFT.**- In the event of theft of the vessel, the RENTEE undertakes to make the corresponding report to the relevant authorities, and give the paperwork to the RENTOR.
- 20.- PROTECTION OF DATA.**-The personal data in this contract is protected in accordance with Organic Law 15/1999, of 13<sup>th</sup> December on the Protection of Personal Data. This data can only be treated and passed on to companies dealing with receipt of payment, and for the realisation of the RENTOR'S advertising campaigns.
- 21.- COMPLAINTS.**- Any complaint the RENTEE may wish to make must be made in writing at the time of return of the vessel at the end of the contract. If it is impossible to do so in writing at that time, he or she will communicate it verbally and will have a period of fifteen days to submit the complaint in writing.
- 22.- JURISDICTION.**- For the solution of any dispute as a consequence of this contract the parties agree to submit to the Authorities and Courts of Palma de Mallorca, with the relationship between them being governed by Spanish Law