

H2 CHARTERS, LLC - CHARTER AGREEMENT

CHARTERER NAME: _____

CHARTER DATES: _____

VESSEL: LADY GEORGIA - QUEENSHIP

“H2 CHARTERS, LLC” wherever it appears in this Agreement, refers only to H2 Charters, LLC, a State of Idaho Limited Liability Company. “Charterer” refers to the person(s) named above who pursuant to this Agreement has agreed to charter the Vessel, and for the entire duration of said charter, has full and complete responsibility for the safety of the Vessel and its crew.

DELIVERY: H2 Charters, LLC agrees to deliver the Lady Georgia in full commission and in proper working order, inclusive of that required by law; clean and in good condition throughout and ready for service. Should the Vessel become unavailable due to mechanical or other issues beyond the control of H2 Charters, LLC, H2 Charters, LLC reserves the right to terminate this Charter Agreement and refund in full, all deposits paid by the Charterer. Taking over the Vessel and departing Anacortes, Washington, with it certifies full acceptance of the Vessel, its condition, its equipment, and all supplies, and signifies full performance by H2 Charters, LLC of its obligations to Charterer.

CANCELLATION TERMS: If Charterer must cancel, the following terms will apply: Days prior to Departure date:

- 120 or more.....Booking Fee Forfeited
- 60-119.....Booking Fee & Reservation Deposit Forfeited
- 0-59.....100% of Charter Fees Forfeited

If at the time Charterer reserved the Vessel, the full Reservation Deposit was paid, the Charterer agrees that the applicable Booking Fee is non-refundable.

Should it be impossible for H2 Charters, LLC to make delivery as stipulated, and should such delivery not be made within 24 hours thereafter, then this agreement may be cancelled by either party and, in that event any charter fee paid in advance will be returned to the Charterer in full, and all responsibilities, of either party to the other are cancelled.

INSURANCE: The Lady Georgia is insured against fire, marine and collision risks by a standard marine hull and machinery insurance obtained by the H2 Charters, LLC. This

insurance, subject to an applicable deductible, by its terms, shall insure against loss due to risk enumerated in the policy occurring while the Vessel is in the possession of, and operated by, Charterer. Upon payment of the daily insurance, H2 Charters, LLC shall insure payment of any insurance deductible for covered loss subject to the exceptions noted below. Daily insurance fee paid will cover only one incident per charter. Damage resulting from subsequent incidents during the duration of this agreement will be charged to the Charterer. Charterer shall be responsible for any loss or damage resulting from the operation of the Vessel in breach of this agreement, the insurance policy, or resulting from Charterer's gross negligence. The exception to this policy shall be that H2 Charters, LLC will not pay any part of the deductible on insurance claims resulting from operation of the Vessel within any areas not specifically approved by H2 Charters, LLC. The Charterer shall be responsible for payment of any deductible on insurance claims arising from damage incurred by operating the Vessel in any areas not specifically approved or prohibited by H2 Charters, LLC.

Charterer agrees to hold H2 Charters, LLC harmless from any and all liability for injury or damages to any person or property arising out of Charterer's use of this Vessel not covered by insurance. This shall include reimbursing H2 Charters, LLC for all attorneys' fees and costs incurred responding to a claim and or defending the same.

If the Vessel sustains damage requiring the Vessel to be taken out of service during the duration of the charter, the charter will be concluded and cancelled with no further consideration to the Charterer.

In the event of any occurrence which may result in loss, damage or expense for which any insurer may become liable, including damage to the Vessel or other property and injury to any person arising out of use of the Vessel, Charterer shall give prompt notice of such loss, injury or breakdown to the insurer and to H2 Charters, LLC. Charterer shall not attempt repairs to the Vessel without authorization of H2 Charters, LLC. Charterer may, however, complete any necessary repairs costing not more than \$100.00 without prior authorization of H2 Charters, LLC, and H2 Charters, LLC may reimburse Charterer for such expenditures, if, in its discretion, H2 Charters, LLC determines that such repairs were not necessitated by any fault of Charterer. All claims for reimbursement shall be supported with receipts from repairers and suppliers.

RUNNING EXPENSES: H2 Charters, LLC will assure that engine fuel and water tanks are full at the start of the charter. The Charterer agrees to pay all running expenses after commencement and during the term of the charter including fuel, food and other consumable goods, pilotage, port charges, fines, and all provisions for Charterer, unless these have been ordered and paid for through agreement with H2 Charters, LLC prior to the charter. At the conclusion of the charter the Charterer agrees to replenish all consumable except lubricants and propane used during the charter at his expense.

It is further agreed that the Charterer will pay H2 Charters, LLC by cash or credit card for any late return charges, and such other charges for consumable items as may have been used and not paid for during the term of the charter. H2 Charters, LLC reserves the right to charge any outstanding or incurred fees to the Charterer's credit card on file without prior notification.

RETURN OF THE VESSEL: Charterer further agrees to surrender the Vessel at the expiration of the charter at the place of embarkation, with all gear aboard, free and clear of any indebtedness that may have been incurred during the term of the charter and in as good condition and in as clean a state as when delivery was taken, fair wear and tear from ordinary use excepted. If return is delayed 6 hours beyond the stated time, Charterer will pay the daily pro-rata charge for each 24-hour period, unless the delay is caused by conditions or circumstances not the fault of Charterer. If the delay in return causes cancellation of the succeeding charter, Charterer will be liable for any charter fees lost by H2 Charters, LLC. Charterer will pay delivery costs to Anacortes, Washington, if Charterer leaves or abandons the yacht elsewhere for any reason. H2 Charters, LLC will not be responsible for items left aboard, and any "Lost and Found" items will be held a maximum of 30 days, after which they may be discarded in the sole discretion of H2 Charters, LLC.

RESTRICTED USE: The Charterer agrees that the Vessel shall be employed exclusively as a pleasure Vessel for the sole and proper use of themselves and stated party and shall not be used to transport merchandise or carry passengers for hire or pay; race, or engage in any trade; nor in any way violate the Laws of the United States or any other government within the jurisdiction of which the Vessel may be used at any time during the term of the charter. Charterer agrees to restrict the cruising area of the Vessel to the waters East of Cape Flattery (longitude 124-40' West), waters and south of 51-00' North and 128-00' West, and south of Vancouver Island including the Straits of Georgia and Juan de Fuca. The insurance shall not apply if the yacht is sailed or underway after sunset or before sunrise, when visibility is restricted, in gale force or higher winds, or if Charterer fails to abide by the cruising area restrictions. Any violation by Charterer of these restrictions shall result in Charterer being fully and completely liable for any damages sustained to the Vessel or its occupants unless it can be established that such action was necessary as a result of emergency circumstances beyond the control of, and not created by the Charterer. The Charterer agrees not to assign this Agreement or sub-charter the Vessel without the express written consent of H2 Charters, LLC.

The Charterer agrees that pets will not be brought aboard the Vessel, without prior approval of H2 Charters, LLC.

Charter also agrees to limit the number in the charter party to the maximum number of sleeping accommodations shown on the specification sheet for the Vessel.

SUMS OWED: Any installment of charter money, security deposit or any other amounts for which the Charterer has agreed upon must be paid on or before the date designated by H2 Charters, LLC. H2 Charters, LLC shall have the right to cancel this Charter Agreement and retain any fees deposited with H2 Charters, LLC for application to H2 Charter, LLC's damages, which shall be determined in accord with the "Cancellation Terms" referred to elsewhere in this Agreement.

In the event Charterer violates any of the terms or conditions of this Agreement, or falsifies the boating experience resume, Charterer shall pay to H2 Charters, LLC all expenses that might arise as a result of such actions. The terms and conditions of this Agreement will be interpreted in accordance with the laws of the State of Washington with the exception of any admiralty or maritime claims which must be construed under the Maritime and Admiralty laws of the United States. The venue for any proceedings under the terms of this agreement shall be in Skagit County, Washington, or if applicable, the United States District Court for the Western District of Washington. In the event of any legal action arising under this Agreement, the prevailing party shall be entitled to their reasonable fees and costs, including those on appeal. All signatories to the Agreement shall be jointly and severably liable.

_____ Date: _____
(CHARTERER)

_____ Date: _____
H2 CHARTERS, LLC