

VESSEL CHARTER AGREEMENT

PARTIES

1. **HER MAJESTY THE QUEEN**, acting by and through the **Ministry of Finance and Economic Management** ("the Government")
2. **Pacific Schooners Limited** ("the Owner")

BACKGROUND

- A. The Government desires to charter a vessel for the purpose of transporting people to the Northern Group following constitution celebrations.
- B. The Owner has a vessel available to charter for such purpose.
- C. The parties have agreed the terms of a charter as follows:



In this Charter Agreement these terms have the following meaning:

Itinerary means the route detailed in the Schedule.

Vessel means the ship detailed in the Schedule.

1. The Owner charters to the Government the Vessel to undertake the Itinerary. The Vessel shall be furnished, outfitted, and ready for service for the purpose of transporting 130 passengers, and the Owner warrants the Itinerary is acceptable and within the capabilities of the Vessel; subject only to the provisions of clause 11, changes in the Itinerary may be made only with the prior written approval of the Government.
2. The Owner shall provide a properly qualified captain and crew adequate for the safety of the Vessel and all other persons related to the operation of the Vessel as well as all relevant certifications for the Itinerary.
3. The Owner, solely at its own cost and expense, shall furnish the Vessel, the captain and full complement of crew, sleeping accommodations and meals for a maximum of 130 passengers. The Owner is responsible for the Vessel's operating and maintenance costs, including but not limited to, fuel, including increased fuel costs which may exist at the time of the charter, water, other consumable stores, docking and wharf charges, permits, licenses, tariffs, fees, taxes, and any and all other expenses relating to such operation and maintenance.
4. The Owner agrees to secure and keep in force during the entire term of this charter and for a period of 60 days prior to its commencement, at Owner's sole cost and expense, a standard marine insurance policy including hull (to full value) and protection and indemnity coverage, in such form, with such carriers, and in such amounts as are acceptable to Government to protect Government against all claims, demands, damages, liabilities, actions and causes of actions incident to the use of or resulting from any accident occurring in connection with the operation of the Vessel. The policy or policies must contain a provision naming the Government as an additional insured except that such a provision will not apply to the extent such losses are caused by the negligent acts or omissions of the Government, its officers, agents or employees. Certificates of insurance acceptable to the Government shall be furnished to

Government on request. The policy or policies shall contain a provision requiring Owner's carrier or carriers to notify Government at least 30 days prior to cancellation or modification of the policy or policies.

5. The Owner will defend, indemnify and hold harmless Government, its officers, agents, and employees from and against any claims, damages, expenses or liability, including without limitation, damages to any property, including Owner's property, or damages arising from the death or injury of any person or persons, including Owner's employees and agents, arising out of the performance of this Charter Agreement or the use of the Vessel, to the extent such claims, damages, expenses and liabilities are not caused by the negligence or willful misconduct of Government, its officers, agents, or employees acting within the scope of official business of the Government.
6. In the event the Vessel is disabled or damaged by breakdown of machinery, fire, grounding, collision or other cause, Government will not be charged for the use of the Vessel. In the event the Vessel is lost or damaged or the disability is of such extent that the Vessel cannot be repaired within 15 days following such disability, the Government, as its election, forthwith may terminate this Charter Agreement.
7. Payment of the chartering rate for the use of the Vessel shall be made by the Government to the Owner at a rate of NZ\$7,500 per day of the charter. 

8. For the avoidance of doubt, where the Itinerary is completed more quickly than is expected, the Government will only pay for those days which the Vessel is required.
9. Where the Owner is unable to fulfill the obligations of this Charter Agreement, including not being able to provide services at the required times and dates for any reason the Owner will refund the Deposit to the Government within five (5) days of written demand by the Government.
10. The charter may be cancelled by Government on or before 9 July 2015, without any cost or obligation to the Government. Any amount paid by Government to the Owner prior to such cancellation shall be refunded by payment to the Government within five (5) days of cancellation. Cancellation after the above-specified date shall result in forfeiture of any amount paid by the Government prior to cancellation.

11. The Owner shall retain full care, custody and control of the Vessel including final authority with respect to the management and operation of the same, and with respect to any determination regarding conditions affecting the safety of its crew and passengers and/or the safe navigation of the Vessel itself.

Owner


Signature _____ Date 8/5/15

Michael Henry
Director
Pacific Schooners Limited

Government


Signature _____ Date 8/5/15

Richard Neves
Financial Secretary
Ministry of Finance and Economic Management

Projected Schedule

The Vessel – Tiare Taporo

Itinerary - 9 August to 30 September

To be advised closer to the time and will be at the discretion of Government travel will be inclusive of the whole of the Cook Islands.