

SPECIAL PROVISIONS FOR VESSEL CHARTER

1. Definitions

- (a) "Charterer" means the University of Alaska (Contracting Agency), sometimes referred to as "The University."
- (b) "Hire Costs" means the prices to be paid by the Charterer under the contract as expressed in the contract price schedule.
- (c) "Owner" means the owner of the vessel provided under the charter contract, sometimes referred to as the "Contractor."
- (d) "Port of Delivery" means the port where the vessel is presented and delivered to the Charterer ready for use under the contract.

2. Condition of the Vessel

The Owner warrants that at the commencement of and at all times during the term of this Charter, the Vessel will meet the following requirements:

2.1. Seaworthiness

The Vessel's hull, machinery, tackle, gear, apparatus and equipment shall be seaworthy in all respects, and conform to the minimum standards set forth in the Code or Federal Regulations and amendments thereto for the Vessel's class.

2.2. Documentation and Inspections

The Vessel must meet one of the following criteria as specifically set forth in the contract specifications:

- (1) If the Vessel is documented as an Oceanographic Research vessel, the Vessel must comply with the provisions of 46 CFR Subchapter U and amendments thereto that apply to a vessel of its size.
- (2) If the Vessel will carry more than six (6) passengers, it must be documented as a Passenger Vessel to do so and meet the inspections and safety requirements of 46 CFR Subchapter T or H that apply to a vessel of its size.
- (3) If the Vessel will carry six (6) or less passengers, it must possess a current USCG Safety Inspection form or decal and:
 - a. be documented for coastwide service; or
 - b. be documented for fisheries coastwide service; or
- (4) If the Vessel is undocumented, it must possess an Alaskan or other state number which indicates the Vessel is "commercially" employed. A certificate of numbers showing "pleasure" employment is not acceptable.
- (5) Charterer or its designee may inspect the Vessel at any time during this charter to ensure that the Vessel meets the requirements of the charter contract.

2.3. Suitability

Owner acknowledges and warrants that the Vessel is fit for the purposes of Charterer.

3. Manning of the Vessel

Owner warrants that the Vessel shall be manned at all times during the term of this Charter by a competent crew. Each crew member shall be licensed if so required by U.S. Coast Guard (USCG) regulations (or the Vessel class. The Master must have (as a minimum) a 100 ton Master's license or, if a chartered Vessel is larger than 100 tons, a license equal to or greater than that required by USCG regulations for the class or size of the Vessel. Each crew member, including the Master, must be a seaman with experience in the waters in which the Vessel is to be operated. Each crew member, including the Master, is subject to approval by the Charterer prior to the Vessel leaving port at the commencement of any voyage under this Charter. If any member of the crew, including the Master, is not approved by Charterer, that individual will be replaced by the Owner with someone qualified and acceptable to the Charterer.

4. Operations

(a) Tentative Cruise Plan and Itinerary

Prior to commencement of any voyage by the Vessel under this Charter, Charterer shall submit a written tentative Cruise Plan, which shall include:

- 1) The names and duties of all scientific personnel;
- 2) The date, time and point of departure;
- 3) The estimated date, time and point of arrival;
- (4) An anticipated cruise track including all station positions, or area of operations, and port of call;
- (5) Communication instructions;
- (6) An anticipated statement of all scientific operations to be carried out;
- (7) A listing of all scientific apparatus and chemicals to be taken aboard and/or to be deployed during the voyage; and
- (8) All other instructions appropriate for the successful completion of the scientific work to be accomplished on the voyage.

(b) Communications

The Vessel, while on a voyage, shall make the radio or telephone reports required by this section to its home base or other appropriate base designated to receive such reports. Such base is subject to approval by the Charterer.

Reports shall be made:

- (1) At least once daily during voyages that are overnight or longer than 24 hours;
- (2) Anytime there is a change in the cruise plan affecting the planned position or estimated time of arrival at any previously designated point by more than two hours;
- (3) Anytime there is an equipment failure adversely affecting the capability or safety of the Vessel; and
- (4) On return to base or on arrival and departure from an overnight or other designated stop.

5. Dangerous Cargo.

At no time during this Charter shall the Vessel carry any cargo deemed hazardous or dangerous by the Charterer, except when specifically required for the work to be conducted during the Charter.

6. Firearms

Firearms and ammunition may be needed for the safety of individuals while performing work during the Charter. All firearms and ammunition shall be stored in a secure location accessible only to the Chief Scientist and the Master when not in use. Firearms for hunting or recreation will not be allowed.

7. Alcohol and Controlled Substances; Drug-Free Workplace

Neither Master, crew, nor members of the scientific party shall possess or use alcoholic beverages or illegal drugs or other controlled substances while participating on a voyage under this Charter, nor shall they board the Vessel while under the influence of said substances. The Owner is obligated to maintain its Vessel by federal standards as a Drug-Free Workplace for occupancy and use by the party and the Vessel's crew.

8. Control of Vessel

In matters of navigation and the safety of the Vessel, crew, scientific party, and equipment, the judgment of the Master shall be controlling at all time. The Charterer shall provide the Master with direction as to the Vessel requirements needed to accomplish the scientific mission during the cruise.

9. Owner to Provide

The Owner shall:

- (a) Provide and pay for all wages of the Master and crew.
- (b) Provide Charterer true and correct copies of certificates of current insurance required by this provision, at least 10 days prior to commencement of any voyage under this charter contract.
- (c) Provide and keep in effect at all times during this Charter insurance protection against collision liability and customary marine protection and indemnity risks in the amount no less than \$1,000,000. All such insurance shall be in form and substance satisfactory to the Charterer, shall name the University of Alaska as an additional insured party and loss payee to the extent of its interest therein and shall contain provisions preventing cancellation, non-renewal or material alteration unless the Charterer is given at least 10 days prior written notice. The deductible on the collision liability and protection and indemnity shall not exceed \$5,000 for the loss of life, personal injury, and property damage. Deductibles shall be the Owner's responsibility.
- (d) Provide and keep in effect at all times during this Charter, Workers Compensation and Employer's Liability insurance as required by Alaska statutes for the Vessel's crew and officers.
- (e) Maintain during the period of this Charter, any insurance coverage required by the Jones Act, or other federal statute, applicable to business or contract operations of the type covered by the contract.
- (f) Indemnify and save harmless the University of Alaska, its Board of Regents, officers, agents and employees from and against all claims, liens, demands, judgments, costs, and expenses (including reasonable attorney's fees) which may arise by reason of injury or death to any person or damage to any property occurring as a result of the operation of the Vessel or any act or omission of Owner, its officers, agents, employees, assigns or representatives in connection with Owner's performance of its obligations pursuant to this Charter. However, between Owner and Charterer, nothing herein shall be construed as to relieve Charterer from liability arising solely as result of its gross negligence or intentional misconduct. Nothing in this Charter shall be construed or held to waive the Owner's liability from damage to equipment owned by the Charterer or the injury or deaths to personnel who are on the Vessel and who are employed by the Charterer if such injury, death or damage results from negligence of the Owner or the Owner's employees.
- (g) Provide and pay for all necessary stores and provisions for crew and Charterer's personnel for the duration of this Charter.
- (h) Make the Vessel's bridge log, weather log and other logs available to Charterer at the end of each voyage, or at Charterer's request, for Charterer's reproduction.

10. Suspension or Termination of Hire

In the event of the Charterer's loss of use of the Vessel for a period of time in excess of twenty-four (24) consecutive hours, resulting from a deficiency of Owner's crew, breakdown of Vessel's machinery, damage to the hull or any other cause that is not contributed to by Charterer's negligence, hire thereafter shall, at Charterer's option, be suspended or terminated in accordance with the provisions of the contract. Any such suspension or termination shall be deemed to commence at the time the loss of use started. If suspended, hire costs shall not be payable during the period of suspension and hire shall not resume until the Vessel is again, in Charterer's opinion, in sufficient state of repair to resume service. In that event, and at the option of Charterer, the term of this Charter may be adjusted pursuant to the provisions of the contract to offset such interruption. However, the scientific party shall be entitled, solely at the option of Charterer to occupy the Vessel and pay hire costs during any period of suspension.

11. Unsatisfactory Performance of Service

If the Owner, Vessel or crew fails to fulfill the requirements of the charter contract or fails to satisfactorily perform its obligations, the Owner or Owner's designated representative shall, upon receiving written notification from the Charterer, immediately investigate and take appropriate steps to correct the situation. If the Owner, Vessel or crew, fails to correct its performance after such notice, the Charterer may at its option by notice to the Owner or Owner's designated representative put the Vessel and pay costs during any period of suspension.

12. Off Hire

12.1. Vessel Lost

Should the Vessel be lost, or if missing and presumed lost, hire shall cease at the time of her loss, or is such time is unknown at the time the Vessel was last heard from. If the Vessel should become a constructive total loss, hire shall cease at the time of the casualty resulting in such loss.

12.2. Seizure

Should the Vessel be seized during a the term of this charter, hire shall cease from the time of seizure until the Vessel is again ready to perform in accordance with this Charter, or, at the Charterer's option, if circumstances warrant, the contract may be terminated for default. Continuation of work under this Charter, after seizure, shall be at the sole option of Charterer.

13. Accommodation

The Owner is to provide living quarters and accommodations in accordance with contract specifications suitable for the use of all scientific personnel or other personnel the Charterer assigns to the Vessel. Said quarters and accommodations are subject to the approval of the Chief Scientist prior to commencement of any voyage under this Charter. The Owner will maintain living, eating, shower and head facilities in a clean and sanitary condition throughout the duration of the Charter.

14. Compliance with Laws

The Owner is to comply with all applicable laws and regulations including, but not limited to pollution and environmental hazards and Owner's financial responsibility therefore.

15. Charges

The Owner shall pay all wharfage, port dues, pilotage, towage and other charges or taxes customarily charged to the Vessel.

16. Salvage

All derelicts and salvage shall be for the owner's and the Charterer's equal benefit after deducting the Owner's and the Charterer's expenses and the crew's share.

17. Assignment

The Owners's rights and obligations arising as a result of this Charter are not transferable without the Charterer's prior written consent, which may be withheld for any reason.

18. Violation of the Law

The Owner agrees to be responsible for all fines, fees and other costs imposed in the event of smuggling or other violations of law by the Owner, its agents, employees or crew, but the Charterer is to be responsible for any such acts of its own agents, employees or personnel.

19. Releases of Information

The Owner agrees that proprietary information disclosed by the Charterer to the Owner for the purpose of performance hereunder and identified as proprietary information shall be held in strict confidence and used only in the performance of this Charter. The standard of care for protecting such information will be that degree of care the Charterer uses to prevent disclosure, publication or dissemination of its own proprietary or confidential information.

20. Safe Port

The Vessel may be ordered to any safe berth, dock, place or anchorage in safe ports as the Charterer directs, the Vessel remaining always afloat.

21. Venue

In the event that any legal action is commenced arising out of the performance or breach of any obligation, term or condition of this Charter, said action shall be brought only in the Superior Court for the Third Judicial District of Alaska in Anchorage, Alaska.

2.1. Waiver

The failure of the Charterer to enforce at any time any provision of this Charter or to exercise any option herein shall not in any way be construed to be a waiver of the rights of the Charterer hereunder.

23. Vessel Demise

Nothing herein stated is to be construed as a demise of the Vessel to the Charterer. The Owner remains responsible for the safety and navigation of the Vessel, insurance, crew, and all other matters in the same fashion as when operating for its own account.

24. Notices

All notices by either party relating to this Charter shall be given in writing. Notices shall be given to the parties at their respective address set forth in the contract and shall be deemed given when delivered to a telegraph agent, message prepaid, or deposited in the United States mail, postage prepaid, or delivered in person. The respective addresses of the parties shall be set forth in the contract.