

PENTAGON SAILING CLUB

JOINT VENTURE AGREEMENT

This agreement is an addendum to the basic bareboat charter agreement between the charter company and the below signed crewmembers of the yacht "_____."

We the undersigned Pentagon Sailing Club (PSC) Members, or guests of a Member,

| | |
|---------------|-------------|
| SIGNED: _____ | Date: _____ |

do hereby agree to enter into this charter arrangement as a **Joint Venture** with:

PSC Skipper of Record (SOR): _____ who has signed the basic charter agreement with
_____ Charter Company.

THE AGREEMENT:

We agree that we all are considered the "charterer" of this vessel for the duration of the charter agreement period. Consequently none of the above signed crew or SOR is considered a "passenger for hire" as defined in the Passenger Vessel Safety Act of 1993 and no person or entity is receiving consideration for this PSC training sail.

As Joint Ventures and co-charterers, we agree to share in costs associated with the charter, which include but are not limited to: equal contributions toward the charter company fees for the chartered vessel (except for the Skipper of Record), fuel, water, slip fees, holding tank pump out, damage, and liability. The skipper of record (SOR) will share equally all costs, except for his or her contributions to the actual cost (fee) of the chartered vessel, which he or she will share at reduced rate established by PSC policy. As Joint Ventures we agree that the PSC SOR is contributing toward his equitable share of the actual charter cost (fee), by volunteering his time and expertise during the planning and execution of this PSC training sail.

We further agree that although we are Joint Ventures in this charter agreement and that we all will share any liability or damage during the charter period, we acknowledge, there can only be one "SOR", therefore the SOR will have final say in all decisions associated with the safe passage and conduct of the chartered vessel.

By signing this Joint Venture Agreement we also certify that we fully understand the risks and responsibilities we assume. We have signed a PSC Bay Activities Registration Form.

Damage Definitions & Scenarios:

Damage to the vessel can normally be categorized in, and defined by four different scenarios. The following define the scenarios, and explain *potential* crew responsibilities in each:

1. Damages sustained while the entire crew is operating the boat. Generally the entire crew will equally share in all costs associated with the damage, regardless of who actually caused the damage. Typically, this type of damage will occur during an all hands action which include but are not limited to: docking, anchoring, reefing, Man Over Board, etc.

2. Damages sustained while only a portion of the crew is operating the boat. Generally, the on watch crew will equally share in all costs associated with the damage. Typically, this will occur underway during split crew training. Typically such incidents include but are not limited to: hitting another boat, entanglement with a crab-pot, hitting a buoy, or running aground. If not operating as a defined split crew, these incidents will be considered the responsibility of the entire crew as outlined in paragraph 1.

3. Damage that is clearly sustained as the result of individual action. Generally this will involve one or more individuals. In this case the individuals directly responsible will share in the cost of the damage. Typically, such incidents include but are not limited to: losing a winch handle, fender, dropping something overboard, breaking or damaging something on the boat not associated with operating the boat, such as staining a cushion due to spilling something, chipping the gel coat because of dropping a winch handle, etc.

4. Damage that is attributable to normal wear and tear. Generally this will be damage that occurs as a result of normal wear and tear and is completely un-attributable to crew action or negligence, which includes but not limited to: a seal breaking in the engine, head, clogged fuel, failed hardware under normal conditions, etc. If this type of damage occurs, the PSC will make every attempt to demonstrate to the charter company that no fault of the crew exists and that the damage should not be paid for by the crew or PSC.

Crew Liability:

All PSC chartered boats are fully insured by the owner and managed by the charter company. As such, the charter company has imposed some rules governing the insurance liability and deductibles. The following will briefly outline the major points. We the Joint Ventures agree that it is ultimately our individual responsibility to make sure we understand the terms of the charter agreement, since this addendum labels us all the "charterer".

The Skipper of Record (SOR) will provide a Security Deposit, held in escrow by the charter company. Damages sustained during the charter period will be paid out of this security deposit. The crew or individuals responsible for the damage will reimburse the Skipper of Record for any damages paid from the security deposit.

A Damage Waiver fee of \$29 per boat, per day is included with the overall charter cost. This Damage Waiver will cover the costs of damage above the security deposit to the actual insurance deductible. The deductible ranges between \$1820 & \$3754 depending on the boat chartered.

We the Joint Venture, recognize, however, that this Damage Waiver coverage is solely at the discretion of the charter company. We understand that the charter company uses litmus test of "negligence" when determining if this coverage will be applied. We understand this means if the charter company determines the action that caused the damage was "negligent", the damage waiver may not be applied. This could result in the crew being liable for the vessel's full deductible.

In the event any damage occurs that the crew cannot determine responsibility, the damage exceeds the security deposit, or a question of negligence is raised, the PSC Bridge will arbitrate and make final disposition.

Medical and Risks of Personal Injury:

Medical Information:

The Skipper needs to know of any medical conditions, prescriptions, and non-prescription medicines that you must take during our sail period. Give the Skipper the name of the medical condition, what it limits you to do, what symptoms he/she should be aware of, and actions he/she must take on your behalf. Give the Skipper the names of medications you take, how much, when, what it does for you, and any adverse reaction you might have or might develop if you stop taking the medication

Personal Injuries:

By participating on this sail, you agree to hold the PSC, SOR and rest of crew harmless for your personal injuries and damage or loss to your property. Sailing is an active sport using complex equipment with awkward surfaces. The chances of falling, breaking a bone, suffering a concussion, cutting yourself, burns, or drowning, etc. are ever present. You are likewise exposed to the perils of weather and sea conditions, cold, heat, wind, sun, rain, slippery decks/docks/surfaces, and other unusual conditions. If motion sickness medicine or alcohol is taken, your probability of succumbing to these risks is increased. Consequently, you acknowledge the risks, and you accept them as personal risk. There is zero tolerance by the PSC, the Skipper, and fellow crew to the presence or use of illegal drugs on board.