



GENERAL TERMS & CONDITIONS FOR YACHT CHARTER

The Purpose

These General Terms & Conditions for Yacht Charter (hereinafter: Terms) regulate mutual rights and obligations related to services of accommodation on vessel - yacht charter.

Contracting Parties

The charter contract is concluded between the client who charter the vessel ("Client"),

The owner of the yacht, represented by YachtingAdria LLC (The Company)

Booking Confirmation

From Client's side, the booking intention is confirmed when advance payment is paid by Client.

From Company's side the booking will be confirmed when full amount of advance payment lands on its account and Boarding Pass is issued to the Client.

Payment Methods

After the yacht charter reservation has been agreed, which will be effective in writing only, the payment is to be done according to the following calculation:

- 50% for advance payment at the time of yacht reservation
- 50% of balance not later than 1 month prior to yacht charter

All payments have to be done according to payment instructions listed in the Pro-forma Invoice which the Company has sent to the Client.

The Price of Yacht Charter

The price for yacht charter shall include the following: The Vessel equipped according to the presently effective inventory-list, as well as usual charter base services at the time of Vessel's delivery (check in/check out). Yacht charter price shall not include additional services such as food and beverages, fuel, costs for marina's services and moorings, harbor dues, taxes, or any other additional services other than those explicitly stated as included in Vessel's equipment list. If the yacht charter starts and/or ends in an Alternative base (any base other than marina Lazure, Montenegro, which is the homeport of the Vessel) the Client acknowledges that any berthing fees of the Alternative base (marina) are not included in the Yacht charter price, and that the Client will need to settle the corresponding berthing fees in the Alternative base, in addition to a one-way fee or base change fee as per valid Price List of the Company.

Additional services - Extras

Additional services and extra equipment for which an extra payment shall be done (hereinafter: Extras) in accordance with the effective Price List (e.g. auxiliary engine, early check-in, airport transfers, etc.) should be requested by Client and agreed upon booking confirmation. At the latest, all Extras must be confirmed by both sides in writing not later than 10 days prior to the beginning of the charter date.

Crew List and Arrival Details

The Client must send a correctly filled crew list, copy of skipper's passport and sailing license not later than 14 days prior to the first day of charter. The Client agrees that s/he is the main contracting party of the Company, and that Client is responsible for the other guests on board. If Client has booked the transfer (e.g. from airport), then sending detailed arrival and departure information at least 14 days in advance is obligatory. Client is responsible for the accuracy of delivered crew list information, as well as for validity of all passports, visas, licenses and other identification documents.

Cancellation by Client

Should the charter of the booked Vessel be cancelled by Client, whatever the reasons may be, the Client shall be liable to inform the Company per email about the cancellation without delay. Client shall be charged for the cancellation in the amount of:

- Cancellation fee of 30% of the total charter fee, for bookings cancelled within a period of 90 - 60 days prior to boat embarkation.
- Cancellation fee of 50% of the total charter fee, for bookings cancelled within a period of 60-30 days prior to boat embarkation
- Cancellation fee of 100% of the total fee, for bookings cancelled in a period less than 30 days prior to boat embarkation
- 0% of the full accommodation rate if the Client has managed to find another client for the cancelled period and under the same conditions; only the dossier expenses of 150 EUR will be charged.

The date of the receipt of the cancellation notice in writing shall be the basis for the settlement of the stated cancellation charges.

Exceptionally, should a cancellation of the yacht charter booking be done owing to the Act of God, i.e. objective serious reasons stated and proven by Client (death in the near family, serious sudden health condition, a serious accident, etc.), the Company may allow the Client to use the already paid amount as a pre-payment for the next booking within one-year period.

When the Client does not come for the check-in (non-show-up case), or when the Client leaves the Vessel prior to the contracted check-out time (early-abandon case) – in all such cases the 100% cancellation fee applies and Client does not have a right for any refund.

Cancellations by Company

Should the booking be cancelled by Company, then Company will offer to Client:

- a. reservation of another vessel, from own fleet or from another fleet, of similar size and with similar features, if possible. If the new vessel is cheaper than the original Company will also refund the price difference as per valid pricelists of both Vessels, applying the same discounts which were approved to Client for the original booking. Generally, in case of switching to another vessel, these Terms apply to the new vessel accordingly.
or

- b. full refund of all amounts that Company has received from Client for the Vessel. Client acknowledges that in case when severe damages of the Vessel have occurred during the previous charters, or due to events such as acts of God, Company is objectively not guilty for this, and thus Client shall aim to be cooperative towards finding appropriate alternative solution under the given circumstances.

Security Deposit

Before taking over the Vessel, the Client must give a security deposit (hereinafter: Deposit) in amount according to valid Price List of Company. The Deposit may be given either in cash or a funds reservation will be made on the credit card.

If no damage or loss of equipment has occurred, the bank will release the full deposit amount. The release time of the funds depends on the cardholder's bank. The Company can only request expedited processing through its own bank but is not responsible for the timing of the release.

In the event of damage or loss of equipment, the Client is obligated to compensate the Company for repair costs, replacement of damaged or lost equipment, and any intervention fees via bank transfer, covering any applicable transfer charges. The Company will not charge the Client's credit card, and all funds will be released.

In case of a damage larger than the amount of safety deposit or breach, Deposit shall be charged in full and Client has no right for refund.

In case if the Vessel will not be capable to go to next charter due to the incurred damages, always the full Deposit shall be taken, due to the fact that Company shall have expenses related to remunerating the next client.

In case if the damage has happened due to gross negligence of the Client, or behaviors such as sailing under influence of alcohol or illegal drugs, sailing single-handed or sailing at forbidden times or outside of approved areas, or participating in regattas without written approval of Company, or similar serious breaches of these Terms, the Client shall be liable even beyond the amount of the Deposit, including expenses connected to repairs and remunerations for lost charter income in the next weeks. In such cases the Client is liable to cover those expenses without delay.

In case of lost equipment such as dinghy and outboard engine the Client is liable to Company for the full price of the lost items.

Risk of Yacht use and insurance

Client fully accepts all risks connected with the Yacht charter, and all possible damages which can arise to the Client and/or crew members due to Yacht use. In particular, Client accepts the sole responsibility for the Yacht use, and waives each and every responsibility of Company, including in situations such as possible accidents and injuries of the Client and/or crew members, regardless of the reason of their occurrence, as well as any possible damages on the Client's and/or crew members' personal belongings, as well as the situations when the belongings are missing or lost, either during the Yacht charter or after the Yacht check-out.

It is strongly recommended that, upon booking, Client and all crew members should contract adequate travel and health insurance packages for their travel arrangement.

The insurance does not cover any deliberately caused damage, nor any damage that occurred while the Client was under the influence of alcohol or drugs.

All vessels have been hull insured and have the appropriate insurance policies against damage towards persons and against damage towards third parties.

The insurance does not cover damages to the sails, and the Client is fully responsible for any potential damage to the sails. In case of sail damage, the cost of disassembly and reassembly of the repaired sail, amounting to 300 EUR, will be added to the damage amount.

Engine failure without external influence or caused by overheating is not covered by insurance. The Client is obligated to check the engine's functionality before starting. This includes checking the engine oil level, the S-drive system oil level, the coolant level, as well as ensuring proper water discharge through the exhaust system. The Client must inspect for any oil or water leaks in the engine compartment. During navigation, the engine cover must be opened at least once to check the system's functionality.

Taking over the Vessel / Check-in

The Client is obliged, on the occasion of taking over the Vessel, to give to the representative of Company a verified Boarding Pass with all Client's data and charter appointment, with an insight into the original document of the skipper's license. Also, identification documents (e.g. passports) of all guests on board must be provided for the purpose of re-checking the crew list. On the occasion of taking over the vessel the Client shall examine the inventory list with the representative of Company, confirming the condition of the delivered Vessel with his signature.

The same procedure shall be done with instruments aboard. Any possible Client's subsequent complaints would not be accepted if the Client confirmed that the Vessel was in order and that the Vessel's equipment was complete and in order as well.

Should any of the Vessel's parts be damaged or lost during the previous charters, and if it is impossible to obtain the new Vessel parts prior to the date of the new charter, provided their loss will not seriously affect the security of navigation, it will not be possible for the Client to give up the charter or to demand a reduction of the charter price. Client acknowledges that such situations are not under influence of Company, but are consequence of damages made by a previous client.

The Vessel is to be delivered with full fuel and water tank, and it has to be returned to the charter base in the same state with a full fuel and water tank. Due to the fact that Vessels are expensive property and a certain level of skill is needed to operate them, Company may require from Client (or their skipper) to demonstrate their navigation skills in presence of a representative of Company. Should it be considered that the Client (skipper) is not skilled enough, Company shall hire an official skipper and the required costs for such a service shall be paid by Client according to the current Price List. If the Client refuses the assigned skipper, s/he will be forbidden for sail out, the contract shall be immediately terminated and the paid amount shall be kept without any rights of reimbursement.

Taking back the Vessel / Check-out

On the occasion of returning the vessel and rechecking the vessel according to the inventory list, the fuel tank shall be examined too. If the fuel tank is not full, the Client must pay for the fuel (calculated according to the maximum motor consumption for specific motor hours) plus 400 EUR service fee. Also, Client shall pay for damages on a Vessel as described in these Terms, if any damages are found during the Vessel's examination, as described in the "Safety Deposit" section. Otherwise, if the Vessel is returned in a good state and a full fuel and water tank, the whole Deposit shall be returned to the Client. Should the Client take back the Vessel to a port that is not stated in the contract as the destination port, the Client must pay all costs included in the Vessel's transport to the destination port, including all remuneration costs for the next client of the Vessel, plus a penalty fee of 400 EUR.

Similarly, if Client is overdue, s/he will be fined - every delay longer than 2 hours shall be fined with double daily charter price, plus all the costs emerged due to the impossibility of the Vessel's delivery to next client.

Running behind schedule owing to weather conditions is not justified because it is necessary to keep the vessel at an appropriate distance from the charter base during the last 48 hours before the charter ends. If the Client wishes to

prolong the period of charter, whatever the reason may be, s/he should immediately inform Company about his/her intentions. Company shall in return inform the Client whether the desired prolongation is possible or not, and, if the prolongation is possible and confirmed, and the Client has paid for it, will organize for all the necessary paperwork for additional days.

Sailing Area

The sailing area of the Vessel is within the territorial waters of the Republic of Montenegro.

Malfunction during yacht charter

Should any malfunction emerge during the yacht charter and be repaired within 24 hours from Client's notification to Company, the Client has no right to request any reimbursement. However, if the repairing has taken more than 24 hours, and Client could not use the Vessel meanwhile, then Client can request reimbursement at pro-rata basis for this period. Reimbursement can be obtained only if the malfunction was a responsibility of Company.

Liabilities of the Company

The Company shall deliver the Vessel in good working condition, clean and with completely filled fuel and water tanks. The Company shall arrange and conduct check-in and check-out services at the base according to usual industry standards and procedures.

If it would not be possible to deliver the Vessel at the latest within 4 hours from the contracted check-in time, the Client is entitled to require repayment for being overdue calculated at pro-rata basis (proportional to the contracted charter duration and charter fees received). If a delay longer than 24 hours occurs, the Client can request another vessel from the Company with similar size and features. If an adequate substitute vessel cannot be found, the Client can request the refund amount proportional to the number of days in which he did not have the Vessel at his disposal. Responsibility of the Company to pay an amount higher than the amount it received for that booking is excluded. The Company is not responsible for delays caused by Force Majeure (e.g. earthquakes, floods, thunders, fire, other natural calamities, wars, civil wars, terrorism, strikes, etc.).

Liabilities of the Client

Other than what was already stated in these terms, the Client shall also be liable:

- to be nautically and navigationally skilled for the Vessel charter, otherwise he shall be liable to accept a skipper according to the effective Price List of the Company,
- to have all required licenses for operating the Vessel in case of bareboat charter,
- not to leave the Vessel to the third party,
- not to transport persons or goods for commercial purposes, or engage in any other commercial use of Vessel
- to have aboard exact number of persons, and exact persons, as stated on the crew list,
- to keep the crew list for the whole duration of charter,
- to promptly inform the Company about any possible changes in crew members,

- to fully respect legal regulations of the host country,
- not to participate in competitions and regattas without consent granted by the Company,
- in case of towing, to conclude an award for rescuing prior to the acceptance of help,
- to undertake all safety precautions in order to keep the Vessel in good condition and avoid any damages or towing of the Vessel,
- not to leave the port if the foreseen wind force were estimated stronger than 30 knots, or if the port authorities issued a prohibition on leaving port
- to avoid unnecessary burdening of masts, sails and ropes, i.e. to sail respecting the weather conditions
- not to sail at night except in cases of unforeseen bad weather conditions, when it is necessary to moor the yacht at the nearest safe marina or anchorage
- not to sail single-handed without prior consent given by the Company,
- to inform the charter base manager about the Vessel's exact location in case of severe weather conditions (gale-force wind)
- not to operate the Vessel under influence of alcohol or any illegal drugs, and generally not to use or have any illegal drugs on board,
- not to make excessive noise in marinas, harbors and other mooring locations,
- to respect privacy and night-rest rights of occupants of the neighboring vessels and houses,
- not to engage with fishing or any other submarine activities without a valid license for such activities,
- not to embark pets (dogs, cats, birds, etc.) aboard without written consent of the Company

The Client warrants joint responsibility for all crew members i.e. guests on-board. All consequences arising from the Client's or his crew or guests on board not respecting the above liabilities are the joint and several responsibilities of the Client and crew/guests on-board. In case of breach of the clauses above or other obligations of the Client and its crew/guests based on these Terms, the Company is entitled to remunerate from the Deposit in amount between 100 EUR and the full Deposit, depending of the seriousness of the breach, and to claim indemnity for full incurred damage.

Complaints

Complaints shall be accepted in writing on the date of taking over the Vessel (check-in) only. They must be signed by the Client and the representative of the Company. The complaints shall be resolved in the following manner:

- In case of a cleanliness complaint, the Company will inspect the issue, and if the complaint is justified, organize additional cleaning activities to correct the issue. In case of such type of complaints there will be no financial refund.
- In case of a smaller reported shortcomings or damages, which do not seriously affect security of navigation, the Company will inspect the issue, and if the complaint is justified, organize all reasonable activities to correct the issue. The Client acknowledges that, despite best efforts of the team, it may happen sometimes that it will not be possible to correct the issue in a given timeframe due to objective reasons. Generally, in case of such smaller issues there will be no financial refund.

- In case of a larger reported shortcomings or damages, which do seriously affect security of navigation, the Company will inspect the issue, and if the complaint is justified, organize all reasonable activities to correct the issue in the fastest possible way. Depending on the time needed to correct the issue, Client will be remunerated according to relevant provisions of these Terms (see section: Liabilities of the Company).

In case of serious issues that objectively could not have been noticed during the check-in, but were properly reported according to section "Malfunction during yacht charter", the Client may require indemnity latest during the check out. On this occasion he should file a complaint in writing signed by the both parties with all belonging documentation. If the Client's complaint was reported but could not be solved during the check out, it should be re-sent in writing within 14 days, otherwise it shall not be taken into consideration. The Company will analyze received complaint and try to resolve it in a timely and fair manner. The Company will provide an official answer to Client as soon as possible, and latest within 14 days from the receipt of the complaint.

Jurisdiction

The parties will strive to resolve any dispute in a peaceful manner. If the parties are not able to reach an agreement among them, the court in Podgorica, Montenegro has the jurisdiction over their dispute.