



GENERAL TERMS AND CONDITIONS FOR SKIPPED CHARTER OF VESSEL

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"),

Agency-Mediator who represents the Client ("Agency")

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 Booking confirmation is issued to the Client or the Agency.

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 either to Client or to Agency. The Vessel can be taken over only after the complete amount for yacht charter and all contracted extra services has been fully settled. If either advance payment or balance payment has not been fully settled until above stated deadlines, the Company shall be entitled to cancel the Vessel's booking without any refunds 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, entrance tickets to parks, or any other additional services other than those explicitly stated as included in Vessel's equipment list. The Skipper's fees are to be paid by the Client prior to embarkation directly to the Skipper or the Company. If the yacht charter starts and/or ends in an Alternative base (any base other than AD Marina Bar, 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, one-way options, transfers, etc.) should be requested by Client and agreed prior to booking confirmation. Client may ask for addition of certain Extras even after the booking confirmation, and the Company will undertake reasonable effort to provide the newly requested Extras to the satisfaction of Client, and will inform the Client if it is possible to upgrade the booking with requested new Extras or not. Client acknowledges that the Company is not obliged to provide newly requested Extras at that point in time. 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, not later than 10 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 crew members on board. Additionally, it is recommended to send an estimated time of arrival at least 10 days prior to the first day of charter, in order for the base staff to organize check-in procedure in as smooth way as possible. If Client has booked the transfer (e.g. from airport), then sending detailed arrival and departure information at least 10 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 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:

- up to 50% of the full accommodation rate if the cancellation has been done up to 30 calendar days prior to the starting date of accommodation
- up to 100% of the full accommodation rate if the cancellation has been done less than 30 calendar days prior to the starting date of accommodation,
- up to 0% of the full accommodation rate if the Company or Client has managed to find another client for the cancelled period.

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.

In this category of cancellations are also the situations 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:

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

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 with one of the credit cards accepted by Company. After the completion of yacht charter the whole Deposit shall be repaid to the Client, unless some Vessel damages or loss of equipment have occurred, or unless the Client or its crew have not acted in accordance with these Terms. The set down deposit cannot be used for covering the expenses caused by the Skipper's negligence, bad steering of the boat and bad management of the equipment.

Takeover of the vessel

The boat can be taken over in the agreed time and place, from 5 p.m. to 8 p.m. If the Client does not take over the boat within 24 hours from the agreed time without previously announcing it, the Company is authorized to unilaterally terminate the contract and the Client has no right to subsequently ask for compensation. If due to whatever reasons the Company is not able to deliver the reserved boat in the agreed time and place, the Company has a 24-hour time, from the agreed time of taking over the boat, to provide the Client with another boat with equal or better characteristics. If the Company does not succeed in doing so, the Client has the right to terminate the contract and to be reimbursed of the already paid amount. If the Client decides to wait for a substitutive boat more than the previously agreed 24 hours' time, s/he can be refunded the amount of the rental for the days he was not able to use the boat. The responsibility of the Company for amounts higher than the amount of the rent, as well as for any other right of the Client for compensation, is excluded. The company shall not be liable for any delay due to the Acts of God or rough weather conditions. The Company is obliged to give out to the Client a technically correct boat and completely equipped with full tanks of water and fuel, clean and dry, ready for sailing. When taking over the boat, the Client is obliged to carefully verify and test the condition of the boat and its equipment, and verify whether the inventory checklist corresponds to reality. Eventual objections are presented exclusively before the beginning of the journey. Eventually concealed defects or deficits of the boat and/or the equipment, which were not known to the Company when submitting the boat, as well as damage and defects after returning the boat that the Company could not predict, do not give the Client the right to ask for discount on the price of the rent.

Returning the vessel

The Skipper is obliged to return the boat at the agreed time (8 a.m. at the latest but preferably until 6 p.m. the evening before) to the defined port mentioned in the contract, clean and tidy, with full tanks of fuel and water, ready for further sailing, i.e., in the same condition he overtook it. When returning the boat the Company's representative will perform a complete check-up of its general condition and the equipment and compare the present inventory and equipment with the inventory list.

Skipper

The company on behalf of the Client shall find a professional Skipper to act under the direction of and on behalf of the Client in all matters regarding the management, operation and movement of the vessel unless the safety of the vessel, any persons on board or a third party are in jeopardy, in which case the Skipper's authority overrides that of the Client and s/he is under instructions from the Company to prevent or minimize injury and/or damage.

Skipper's commitments and responsibilities

The skipper will check in/out the yacht on behalf of the Client. Both the Client and the skipper have to sign the acceptance statement after the yacht's delivery. The skipper will demonstrate to the Client the safety equipment and the functionality of the yacht and its equipment, as well as all actions in case of an emergency. The skipper is responsible for the navigation of the yacht, mooring, anchoring, and maneuvering and for keeping the deck and cockpit of the yacht clean, in good and fully functional condition. Other tasks such as cleaning, cooking, etc. are not part of the skipper's obligations. The skipper should respond to any Client's request regarding various tourist information and share all knowledge he happens to have (such as interesting anchorages, sights and spots, museums, restaurants, nightlife, attractions, water sports points, etc.) acting partially also as a "guide" or a local "host" at the highest possible degree. The skipper is supposed to navigate and sail the yacht for approximately maximum 8 hours a day (unless otherwise agreed) and is not obliged to sail by night. The skipper should never leave the yacht unattended when anchored and should stay alert during day and night to ensure the safety of the passengers and the yacht. The skipper will consult the Client for the desired sailing schedule and route and will coordinate this considering the safety and pleasure requirements of the passengers. The skipper of all the sailing yachts should always use the sails of the yacht as much as possible (unless the wind direction does not allow sailing at all). If winds blow very strong, it is on the skipper's judgment (after estimating the skills and capability of the crew and the prevailing conditions on the next destination point) if the yacht should depart from the port or not. In all such cases the skipper should explain the situation to the Client in detail and they should mutually agree on an alternative plan for the next days. The skipper is fully responsible for the mooring of the yacht, the refilling of water and diesel and fuel for the outboard engine and for arranging the port formalities. The Client will pay all these costs. The skipper takes the decision according to the weather conditions and forecast if he can spend the night in a port or in a bay on the anchor.

The skipper will get his food by the Client and a sleeping cabin/berth will be designated to him onboard. The skipper is responsible for all the damage that may happen to the yacht and/or its equipment, during sailing, motoring, anchoring, mooring and maneuvering, provided that he can easily preview the damage and is able to definitely avoid it. Alike in a bareboat charter, the Client is held equally liable for other damage that he or the rest of the crew may cause to the yacht or its equipment or its interior inventory (such as window glasses, upholstery, woodwork, etc.). The Client is obliged to respect all safety instructions as announced by the skipper of the yacht, because the skipper is the only responsible person for the yacht itself. The Client is considered as capable to assist the skipper during sailing/mooring the yacht. If not, the Client or one of the crew members should help the skipper -when necessary- by following the instructions and guidance given by the skipper. In case the Skipper does not provide his services as described above in the guidelines, or if the Client has other serious reasons, he has the right to request a change of the skipper by contacting the Company and by justifying the reasons of such request.

Personal Insurance

It is a requirement that all crew members have current personal holiday travel insurance to cover a holiday including adequate accident and health insurance cover for the duration of the charter. The Company will not be liable for any cover it may not provide. The Company shall not under any circumstances whatsoever

be liable for loss or damage to any of the charterer's property, or for illness, accident, personal injury or death suffered by any guests.

No liability or responsibility is accepted for any loss or additional expenses incurred due to any accident or illness.

The Company will not be a party to any negotiations with doctors or hospitals.

Yacht Insurance

The insurance is determined by the terms defined by the insurer with which the yacht is insured. The yacht is insured against the damage caused by third persons and fully insured against all the damage resulting from Acts of God up to the registered amount of the value of the yachts for the risks according to the insurance policy. In case of some bigger averages, as well as of those where the other boats are involved, the Skipper is obliged to report the case immediately to the authorized harbor-master's office and record it in the protocol (the course of events, estimation of a damage) for the insurance company. The Skipper is also obliged to report to the Company's office.

Complaints

The Company will strive to meet its aim that Client has a positive holiday experience on board. In the event that Client has a complaint it should be raised the same day so it can be handled immediately. A complaint which has not been satisfactorily dealt with or has not been raised during the charter period should be made in writing to the Company within fourteen days of the last day of the charter. The Company will not consider complaints sent after the fourteen day time limit.

Jurisdiction

The Client and the Company shall endeavor to resolve all the disputes that may arise in connection with these General Terms in mutual agreement. In case the mutual agreement may not be reached, the Parties stipulate the jurisdiction of the authorized court in Podgorica. The competent law shall be the law of the Republic of Montenegro.