



GENERAL CHARTER CONDITIONS

1 – Charter fee and payment conditions

The charter fee includes charter of a yacht with its equipment and full insurance for the yacht and crew during the charter period.

Harbour dues out of home marina, fuel, water, transport airport – marina – airport, hotel, skipper, hostess, jet-ski, outboard engine and other possible extra services are not included in the charter fee.

The chartered yacht with complete equipment can be used only after the payment was regularly settled:

50% of the charter fee (down payment) upon reservation and booking.

50% of the charter fee **45 days** before commencement of the charter.

In order that the booking and reservation becomes final, the Charterer has to pay 50% on account of “Yacht – Montenegro Ltd” within the time period of 7 days since Charter agreement and invoice are sent to the Charterer.

The charter fee includes the usage of the yacht during charter period.

On beginning of charter Charterer will pay in cash for all extra requested, transit log and final cleaning if any.

2 – Security deposit

The security deposit has to be made in starting marina by the Charterer when taking over of the yacht.

Agreed security deposit has to be made in cash. The security deposit shall be refunded in its full amount unless the existence of damage or a defect on the yacht or the equipment is found during the takeover of the yacht and unless there are no claims filed or announced regarding the Charterer by third persons, which are connected to the usage of the yacht.

In case of loss or damage of equipment, some parts of the yacht or the yacht itself, “Yacht – Montenegro Ltd” shall retain the amount, which corresponds to the value of repair, acquisition and / or purchasing the equipment or particular part of the yacht.

In case the caused damage has the consequence that yacht cannot be further chartered, “Yacht – Montenegro Ltd” has the right to retain the amount corresponding to the loss of profit.

3 – “YACHT – MONTENEGRO LTD” obligation

The “Yacht – Montenegro Ltd” is obligated to hand-over at Charterer's disposal completely equipped, faultless, clean and dry yacht with full fuel and water tanks in the agreed time and place with all valid documents of the yacht needed for charter.

If there is any reason that “Yacht – Montenegro Ltd” does not fulfill above-mentioned conditions Charterer has right to ask for money refund, for the days he has not been using the yacht. Also if the “Yacht – Montenegro Ltd” cannot place the yacht at disposal at the agreed place 6 hours after the expiry of the time period for the takeover, or provide another, at least identical or better characteristics, the Charterer has right to give up the contract and demand the total amount of the charter fee or demand the amount for as many days as he could have not disposed of the yacht.

The Charterer could demand only the amount of the charter fee; any other rights to indemnification are excluded.

In case of damage or defect on the yacht or its equipment caused by the normal natural yacht consumption, “Yacht – Montenegro Ltd” is obligated to repair the damage upon notification. If damage is repaired within 24 (twenty-four) hours, the Charterer has no right to require any reimbursement.

4 – Takeover the yacht

The Charterer will take over the yacht in agreed time and place. When taking over the yacht, the Charterer is obliged to check and carefully examine the condition of the yacht and its equipment according to the inventory list.

Any possible objections have to be made until the start of navigation.

The possible covered defects on the yacht or its equipment, which couldn't be known to the Charterer at the moment of takeover, as well as defects which could arise after the takeover, do not give right to the Charterer to reduce the charter fee.

If the Charterer fails to take over the yacht within 48 hours, the “Yacht – Montenegro Ltd” is authorized to give up the contract.

The “Yacht – Montenegro Ltd” reserve the right not to hand over the yacht, if our representative has judgment that the Charterer is not competent for any reason to operate the yacht.

In that case Charterer has to take skipper from “Yacht-Montenegro Ltd” on the expense of Charterer or to remain in marina until end of charter.

5 – Charterer's obligation

After taking possession of the yacht, the Charterer will bear on his own account all cost of the daily berth in the port, or in marina, other than home marina, cost of fuel, oil, water, cleaning and all other necessities, as well as eliminating all damages and defects, which can appear while the yacht is under charterer's responsibility and which are not results of normal natural yacht consumption, provided the Charterer has previously reached an agreement with “Yacht – Montenegro Ltd” regarding technical justifiability of the repairs that are to be made.

The Charterer is obliged to sail within agreed cruising limits.

The Charterer undertakes to respect custom and other regulations and rules, to take care of the yacht and its equipment and navigate it carefully and according to the rules of a good navigator and sail only during safe weather conditions and good visibility.

The Charterer, or skipper, declares undoubtedly that he disposes of all necessary navigational skills and that he possesses the valid Skipper license necessary for the navigation at the open sea and the VHF Radio license, which have to be presented to the “Yacht – Montenegro Ltd” before beginning of charter.

The Charterer undertakes and states that he will not sub charter the yacht or rented it to the third person, that he will not participate in regattas nor yacht races, that he will not use the yacht in commercial purposes, professional or night fishing, sailing school or similar, that he shall not operate the yacht under influence of alcohol or narcotics, that he will not be involved in towing of another yacht, that he shall not violate the public rules, orders and laws that he will not sail at night, and he will not sail by unsafe weather.

Number of persons aboard must correspond to the number agreed by this contract and Charterer is not allowed to embark anybody during charter.

In case of accident or damage of yacht or its equipment during the trip, the Charterer is obliged to inform the “Yacht – Montenegro Ltd” without deferral or delay.

The telephone numbers, which can be used for notifying the “Yacht – Montenegro Ltd”, are shown in the yacht documents and in the heading of this contract.

The Charterer is obliged to notify the “Yacht – Montenegro Ltd” and the authorities in case the yacht or equipment is missing, if the further navigation is not possible or in case yacht was dispossessed of, seized or if further navigation was prohibited by state authorities or third parties.

If the Charterer fails to hold on his obligations he is considered fully responsible for all the consequences for the “Yacht – Montenegro Ltd” and he guarantees for them.

The keeping of pets (dogs, cats, birds and similar) on the yacht is not allowed, unless a previous agreement was reached in that regard.

The Charterer is obliged to check daily oil level in the engine and take care of sails because they are not insured.

The Charterer assumes the responsibility for the consequences of non-observance to his obligations from this article.

6 – Charterer's liability

For the damage caused by actions and failure of the Charterer for which “Yacht – Montenegro Ltd” is liable to the third party the Charterer is obligated to settle the damages to “Yacht – Montenegro Ltd” in their entirety, whether it is the case of material and / or legal expenses that resulted from such actions and failures.

The Charterer is explicitly liable for the yacht in case any official body confiscates it, due to inappropriate and illegal actions undertaken during the usage of the yacht within the period for period, which it was chartered.

Charterer is obliged to pay all charges for failures made himself, for which “Yacht – Montenegro Ltd” has criminal and financial responsibility.

Charterer is responsible for yacht taking away by foreign state authorities because of illegal actions.

In the case of damage or accident Charterer is obliged to write down a suitable report and to inform authorized bodies (harbour headquarters, police, doctors) and the “Yacht – Montenegro Ltd” in case of disappearance of the yacht, impossibility of operating the yacht, as well in case of state organs or third persons seizing or confiscating the yacht or imposing measures of sailing prohibition.

The Charterer shall not leave the port or the anchorage until the damage is eliminated from any vital part of the yacht, such as motor, set of sails, ropes, bilge pump(s), anchor winch, navigation lights, mariner's compass, safety equipment and similar or if any of the mentioned devices is not in working order.

The Charterer shall not leave the port or the anchorage without sufficient fuel supply and when weather conditions or conditions of the yacht or his crew are unsafe or uncertain in general.

7 – The return of the yacht

The Charterer is obliged to return the yacht in agreed time and place berthed without the crew and their personal luggage. The yacht should be returned with full fuel tank.

If the disembarkation is not possible at the stated time and place for any reason, the “Yacht – Montenegro Ltd” must be informed in order to give further instructions.

The Charterer bears all the charges of the “Yacht – Montenegro Ltd” that result from the overdue caused by bad weather. Therefore, it is recommended to return the yacht in the marina the night before the Charter contract termination date.

If the returning of the yacht is later than stated in this Charter contract, the Charterer will settle as stipulated below:

for the delay up to six hours - one day rental fee

for the delay of more than six hours - triple daily rental fee plus all other expenses.

Delay cannot be justified by bad weather conditions.

The Charterer is obliged to report the founded defect and damages, if any. The damages of the underwater part are subject to the inspection of the yacht (its lifting) for which the Charterer bears the expenses.

The Charterer is responsible to return the all documents of the yacht (permit, registration, concession etc.) as well as other supplements from the ship's papers file (list of Harbour master's offices and similar).

Until the moment yacht is regularly checked out it is considered used by the Charterer.

8 – Duty of care in regard to safety and security

The Charterer is fully responsible for the safety and security of the yacht at all times during charter period.

Unless the yacht is moored on the buoy or berthed in marina, harbour or similar places, Charterer undertakes obligation to keep at least 1 crewmember on the yacht all the time, especially on the anchorages.

9 – Insurance

The insurance is determined by the terms defined by the insurer with which yacht is insured. The yacht is insured against third person damages and fully insured for all the damages resulting from force majeure up to the registered amount of the value of the yachts for the risks according to the insurance policy. The yacht crew is insured.

The terms under which the yacht is insured form an integral part of this Contract and shall be delivered to the Charterer when taking over the yacht.

In case of some bigger averages, as well as of those where the other boats are involved, the Charterer is obliged to report immediately the case to the authorized harbour-master's office and record in a protocol (the course of events, estimation of damage) for the insurance company. The Charterer is also obliged to report the “Yacht – Montenegro Ltd” office. The damage covered by insurance and in accordance with insurance policy, which has not been reported to “Yacht – Montenegro Ltd” without deferral, shall not be acknowledged.

In case stated in the previous paragraph, the Charterer is personally liable for all the damages as the result of not reporting or late damage reporting.

If damage occurs during the cruise and Charterer is not to be charged (due to normal exhaustion or in case of overdraft of the guarantee sum) he must receive permission (instruction), from the “Yacht – Montenegro Ltd” for an adequate repair.

Insurance covers all the damages by franchise caused by weather or from the other natural disasters, but not the damages made on purpose.

Charges for purpose made damages are not limited by deposit; Charterer must pay all expenses caused by damage made on purpose.

The damages on the sails and on the engine caused by the oil deficiency in the motor are not covered by insurance. Charterer bears the charges for these damages. The personal belongings are not covered by the insurance.

10 – Conditions of Cancellation

If the Charterer for any reason is unable to take the possession of the yacht, he can, if previously agreed with the “Yacht – Montenegro Ltd”, find another person who shall instead of him undertake all rights and obligations deriving from this Contract.

If a substitution for the Charterer cannot be found “Yacht – Montenegro Ltd” shall retain:

20% of the amount of charter fee for cancellation **up to 75 days** before the charter starting date

50% of the amount of charter fee for cancellation **from 75 up to 30 days** before the charter starting date

100% of the charter fee for cancellation **within the 30 days** before the charter starting date

If cancellation is due to objective reasons (death of family member, heavy injury, or other) the accepted deposit shall not be paid back, but the “Yacht – Montenegro Ltd” will give the yacht to the Charterer at his disposal for another free period of time or within another season.

11 – Complaints

Only written complaints, signed by both parties on the occasion of return of the yacht will be taken into consideration.

12 – Arbitrations

All the possible disagreements or disputes arising from/or in connection with Charter party will be tried to settle by peaceful agreement and consensually.

Eventual cases, which cannot be solved peacefully, will be under court's jurisdiction in the Montenegro.

Director
“Yacht – Montenegro Ltd”