

Annex 1 to the Berth Lease/Licence Agreement

Marina Terms and Conditions

1. Definitions

- 1.1. “**Agreement**” shall mean the Berth Agreement concluded between the Lessor and the Lessee/Licensee (as the case may be), and of which these Terms and Conditions form an integral part.
- 1.2. “**Berth**” shall mean the berth from time to time allocated to the Lessee/Licensee by the Lessor, as is more specifically defined in the Agreement.
- 1.3. “**Lease/Licence**” shall mean the Lease/Licence regulated by the Agreement.
- 1.4. “**Lessee/Licensee**” shall mean the person or entity that is leasing/licensing the Berth under the Agreement (other than the Lessor) and any permitted assignee.
- 1.5. “**Lessee/Licensee entourage**” shall mean and shall include any charterer, master, agent or other person for the time being in charge of a Vessel (other than the Lessor), any invitee, employee, guest, crew member, family member or any other persons using the Marina or a Vessel in the name or with the permission of the Lessee/Licensee.
- 1.6. “**Lessor/Licencor**” shall mean Adriatic Marinas Services d.o.o. and any permitted assignee.
- 1.7. “**Marina**” shall mean the Porto Montenegro Marina including its berths, moorings, land, adjacent water, quays, breakwaters, buildings, pontoons, roadways and carparks and any other areas or objects under the control of the Lessor.
- 1.8. “**Marina User**” shall mean anyone using the Marina (and/or any facilities or equipment) or a Vessel within the Marina.
- 1.9. “**Notice**” shall mean any written notification sufficiently served if given to the customer in person, sent by registered post to the customer’s last known address, or emailed to the customer’s last known email address. Any such Notices shall be deemed to have been received immediately via personal delivery, after 10 days via post, and after 5 days via e-mail.
- 1.10. “**Rental Fee**” shall have the meaning given it in the Agreement.
- 1.11. “**Terms and Conditions**” shall mean the Terms and Conditions contained herein.

- 1.12. “Vessel” shall mean any vessel (including its tender, gear and equipment) which is in the care and control of the Lessee/Licensee, as is more specifically defined in the Agreement.
- 1.13. All references to Clauses are to Clauses of these Terms and Conditions, save where the expressly stipulated to the contrary.

2. The Berth

- 2.1. The Parties hereby agree that only one Vessel may occupy the Berth at any time, unless upon the request of Lessee the Lessor has given its specific written consent that allows for more than one Vessel to occupy the Berth.
- 2.2. The Lease/Licence is personal to the Lessee/Licensee and exclusive to the Vessel and is not transferable without the Lessor’s prior written permission, such permission being at the Lessor’s absolute discretion, not to be unreasonably withheld
- 2.3. Unless the Lessor has given its prior written consent, the Berth may not be used for commercial purposes.
- 2.4. The Lessee/Licensee may apply to the Lessor in writing for permission to use the Berth to moor a vessel other than the Vessel. The Lessee/Licensee may only moor such vessel in the Berth after written permission is granted by the Lessor. The provisions of these Terms and Conditions shall apply in respect of any such vessel, not to be unreasonably withheld.
- 2.5. Upon Request, the Lessor will be supplied with a set of keys and any relevant written instructions for the Vessel’s operation. The Lessor shall have absolute right to moor, berth, move, board, lift ashore, enter and carry out work on any Vessel for reasons of safety, security or good management and the Lessee/Licensee will pay on demand all reasonable charges incurred in this connection. The Lessor shall be under no duty to salvage or preserve the Vessel, however, where it does so it shall be entitled to charge the Lessee/Licensee concerned on a normal commercial basis and, where appropriate, it shall be entitled to claim a salvage reward.

3. Fees and Charges

- 3.1. The Rental Fee shall be payable in accordance with the Agreement and its annexes and shall be due immediately as per the terms stated on the invoice.
- 3.2. Any additional service or other fees shall be payable in accordance with the Agreement and shall be due immediately as per the terms stated on the invoice.

- 3.3. Water, electricity and/or other utility charges shall be payable in accordance with the Agreement and shall be due immediately as per the terms stated on the invoice.
- 3.4. Taxes shall be in accordance with the Montenegrin tax laws. Any fees (including, without limitation, Notarial fees), stamp duties or other charges payable pursuant to the Agreement shall be for the Lessee/Licensee's account.
- 3.5. The Lessor reserves the right to vary the rates and charges from time to time, at its sole discretion, on Notice to customers of a variation in rates. Unless the Lessee/Licensee terminates the Agreement and advises the Lessor in writing within 14 days following receipt of the Notice of its intention to terminate the Agreement, the Lessee/Licensee shall be deemed to have irrevocably accepted the variations of the rates and terms and conditions in respect of which he has received the Notice.
- 3.6. Any outstanding money owed to the Lessor beyond the terms stated on the invoice will incur default interest at the rate of 7.5% per annum.
- 3.7. Notwithstanding the Lessor's rights in accordance with Clause 12, the Lessor shall have the right to exercise a general lien upon any Vessel and/or equipment pending payment in full of all sums due to the Lessor. The Lessor reserves the right to continue to charge for berthing, electricity and other services while exercising any such lien at the Lessor's highest published rates applicable to the Vessel. The Lessee/Licensee will be liable for all costs incurred by the Lessor in consequence of any matters arising pursuant to this Clause 3.7.
- 3.8. Monies will not be refunded except in exceptional circumstances, and such refund shall be at the Lessor's sole discretion.

4. Liability and Insurance

- 4.1. All persons use the Marina at their own risk and the Lessor shall not be liable for the death of, or any accident or injury to any Marina User.
- 4.2. All Vessels, dinghies, gear, vehicles, equipment or other goods are operated, moved, berthed, parked or otherwise managed and kept at the Marina at the sole risk of the Lessee/Licensee or, as the case may be, the Marina User. The Lessor accepts no responsibility whatsoever for any loss, theft or damage of any kind to Vessels, dinghies, gear, vehicles or other goods at the Marina as aforesaid, or for any delay occurring from any cause whatsoever.
- 4.3. The Lessor will endeavour to provide a safety, weather and security watch of the Marina and vessels berthed in it as a matter of good will; however, in accordance with Clauses 4.1 and 4.2, under no circumstances will the Lessor be held accountable or liable to the Lessee/Licensee (or any Marina User) for

any loss, damage, theft, personal injury, harm or any other event or occurrence of any kind.

- 4.4. The Lessee/Licensee represents and warrants that there is an insurance policy maintained by a reputable insurer currently in force which shall continue in force throughout the term of the Agreement in connection with the ownership and operation of the Vessel and the use of the Berth, having limits of not less than 800,000 euros for third party liability including bodily injury or death to any person in respect of each incident. The Lessee/Licensee will provide, on request by the Lessor at any time, a copy of the insurance cover note.
- 4.5. The Lessee/Licensee agrees to pay the cost of all damage to the Marina and/or to the property of other Marina Users resulting either directly or indirectly from the Lessee/Licensee's negligence or in respect of any act or omission of the Lessee/Licensee or Lessee/Licensee entourage. The Lessee/Licensee further covenants to indemnify the Marina against any loss, costs, suit or claim arising out of the use of the Marina facilities or equipment or the handling of any Vessel anywhere in the Marina by the Lessee/Licensee or Lessee/Licensee entourage.
- 4.6. No guarantee is given nor responsibility accepted for the suitability of any Berth, equipment or other facilities provided. The Lessee/Licensee will inspect the Berth prior to purchase of a Lease/Licence and shall satisfy himself that the Berth is suitable in all aspects.

5. Commercial Activities

- 5.1. No part of the Marina, ashore or afloat, nor any Vessel therein, shall be used for the conducting or solicitation of business or commercial activities of any kind without the prior written permission of the Lessor.
- 5.2. No signs or other advertising material will be permitted without the prior written permission of the Lessor.

6. Sale of a Vessel / Changes in particulars

- 6.1. A Vessel may be sold by the Lessee/Licensee whilst berthed at the Marina.
- 6.2. The Lessee/Licensee or a representative will be present during viewings of a Vessel.
- 6.3. Signage is to be in accordance with Clause 5.2.
- 6.4. Within 7 days of any sale or transfer of the Vessel, the Lessee/Licensee shall notify the Lessor in writing of the name, address and telephone numbers of the purchaser or transferee regardless of whether or not the Vessel is departing the Marina.

- 6.5. Transfer of the Lease/Licence shall only be permissible in accordance with the Agreement.
- 6.6. The Lessee/Licensee shall notify the Marina immediately in writing of the details of any change of name of the Vessel or the address or contact number of the Lessee/Licensee.

7. Services

- 7.1. Shore power, water, electricity, internet, phone, television or any other service supplied by the Lessor (or on its behalf) is supplied for the use of the Vessel alone and is not to be shared with any other Vessel. Services consumed will be paid for on demand at the current published rates; non-payment will result in the termination of the respective supply and the imposition of a reconnection charge.
- 7.2. The Lessor cannot guarantee a constant supply and makes no assurance as to the suitability of the Vessel to accept the supply, it being the responsibility of the Lessee/Licensee to assess the Vessel's suitability.
- 7.3. The Lessor accepts no responsibility for any loss or damage arising out of such supply or its termination.
- 7.4. 3 phase connections will be carried out only during regular Marina office hours, will not be carried out without a staff member present and may incur a charge as per the published rates.

8. General Rules

- 8.1 Infringement of any of the following rules of this Clause 8. by the Lessee/Licensee or the Lessee/Licensee entourage, determined at the sole discretion of the Marina management, will result in the following three tier action:
- 1st offence – Written warning served by the Marina office.
 - 2nd offence – A 1000€ fine payable to the Marina office.
 - 3rd offence – Immediate cancelation of the berthing lease/licence agreement.
- 8.2 Only Vessels in good, seaworthy condition and under their own power, shall be admitted to the Marina unless in an emergency and with prior agreement and assistance from the Marina management.
- 8.3 The Marina and the surrounding 1 nautical mile perimeter is a dead-slow, no-wake zone. Disturbing wakes produced within the Marina, during the

approach to the Marina, or by vessels transiting outside the Marina, will not be tolerated.

- 8.4 When a Vessel enters the Marina, it immediately comes under the jurisdiction of the Marina and shall be berthed only where assigned and manoeuvred as directed.
- 8.5 The Lessee/Licensee is to maintain the Vessel in good, clean and serviceable condition at all times.
- 8.6 All Vessels will be secured in their assigned space in a seamanlike manner acceptable to the Marina with the use of suitable and adequate mooring lines and fenders capable of withstanding all weather and tidal conditions.
- 8.7 The Lessee/Licensee will not carry out work on the Vessel other than running repairs, minor warranty work or routine maintenance, unless with the Lessor's prior written permission, such permission being within the Lessor's absolute discretion, not to be unreasonably withheld.
- 8.8 The Lessee/Licensee and/or Lessee/Licensee entourage agrees to conduct themselves so as to create no annoyance, nuisance, noise or environmental pollution or hazard to the Marina or to any vessels, Marina Users or other persons at all times when on the property of the Marina and in its immediate vicinity, or on any Vessel moored therein. This includes disturbing vehicle or vessel engines or sound systems.
- 8.9 The Lessee/Licensee and/or Lessee/Licensee entourage shall not place supplies, materials, accessories or debris on any dock or walkway which may create an obstruction for other Marina Users.
- 8.10 The Lessee/Licensee and/or Lessee/Licensee entourage shall not construct or place any lockers, chests, cabinets, or containers on any dock or walkway without the prior written permission of the Lessor.
- 8.11 Vessels having tenders on davits, gangways or boarding ladders or steps, extreme overhangs, bow and stern sprits, spars or pulpits, etc., shall be secured in such a manner that none of these accessories shall create a hazard or block free passage along any dock, walkway, or waterway.
- 8.12 Tenders, skiffs, dinghies and other small Vessels shall be stored aboard Vessels or placed where the Marina directs. All such small Vessels shall carry identification numbers, marks, or names. They may not be tied up in rentable space or on any dock, walkway, or ramp.
- 8.13 Swimming, fishing and skiing is prohibited anywhere within the Marina.

- 8.14 Charcoal or any form of open fire is prohibited anywhere within the Marina, including service and parking areas, unless permission is granted by the marina management.
- 8.15 Dogs and pet animals are permitted in the Marina only if they are at all times under control or otherwise confined or restrained and that they do not cause inconvenience, nuisance, annoyance or disturbance to any other Marina User or foul the Marina. The Marina reserves the right to remove or have any animal removed and ban it from the Marina in the case of any breach of this Clause 8.1.14.
- 8.16 Young children should be accompanied by adults at all times.
- 8.17 The cleaning of fish and the disposal of fish or parts thereof is prohibited anywhere within the Marina, including service and parking areas.
- 8.18 Marina Users will not erect washing lines on Vessels or elsewhere or dry washing on the exterior of Vessels within the Marina.
- 8.19 Marina Users will return trolleys to their storage area after use.

9. Vehicles

- 9.1. Marina Users shall park their vehicles in accordance with the Lessor's instructions. During busy periods, the Lessor reserves the right to limit the number of car parking spaces available to the Lessee/Licensee.
- 9.2. If a vehicle is to be left unattended at the Marina for more than 24 hours, then its Lessee/Licensee shall ensure that the keys are deposited with the Lessor so that the Lessor can move the vehicle if necessary.
- 9.3. The Lessor reserves the right for itself and its contractor to enter any vehicle (by force if necessary), or remove it by lifting or towing if it is parked in breach of the above provisions. The Lessor specifically reserves the right for itself and its contractor to enter a vehicle (by force if necessary) to arrange the deactivation of its audible alarm if this continues to sound for longer than 10 minutes. The Lessee/Licensee of the vehicle shall reimburse the Lessor for any costs that it may have incurred in connection therewith.

10. Precautions Against Fire

- 10.1. Marina Users shall take all reasonable precautions against the outbreak of fire. No hot work (i.e., work involving welding or similar processes) shall be carried out at the Marina without the specific written authorisation of the Lessor.

- 10.2. No fuel, gas, pyrotechnic or other highly flammable or explosive substance shall be brought into the Marina unless it is in an appropriately designed, secure container. The Lessee/Licensee shall ensure that if the container is kept aboard his Vessel, it is stowed in a seamanlike manner and in a suitably drained and ventilated position. Gas bottles will be turned off when not in use.
- 10.3. Lead-acid batteries shall only be charged at the Marina if they are housed in a properly ventilated compartment.
- 10.4. The Lessee/Licensee shall maintain adequate fire fighting equipment aboard his Vessel as prescribed by the International Convention for the Safety of Life At Sea (SOLAS) 1974 (as amended), ready for immediate use in the event of fire. At least one suitable fire extinguisher shall be kept clearly visible, fit for purpose, and readily accessible above decks.
- 10.5. Vessels shall not be refuelled anywhere at the Marina except at the fuel berth or other place designated by the Lessor for the purpose. It shall be the responsibility of the Lessee/Licensee to ensure that the fuel is delivered onboard his Vessel in a manner that minimises the risk of fire. Fuel suppliers must hold a work permit as required under applicable law.
- 10.6. In the case of fire aboard, the Marina may move the Vessel from its Berth in order to prevent spread of fire to other vessels or property and will not be held liable for any loss or damage that may follow. The provisions of Clause 2.5 shall apply at all times.

11. Environmental Practice

- 11.1. Marina users shall take all reasonable precautions to prevent pollution in accordance with the International Convention for the Prevention of Pollution at sea (MARPOL 73/78). No garbage, toilet effluent, dirty bilge water or other pollutant shall be discharged, thrown overboard or left anywhere on the Marina or its immediate vicinity. These substances shall be disposed of carefully in the receptacles provided by the Lessor (and in accordance with any instructions marked on or adjacent to these receptacles, or as may otherwise be directed pursuant to the Marina's directions regarding waste management), or by their removal from the Marina.
- 11.2. In the event that polluting substances are released outside designated places, the Lessee/Licensee shall be liable to compensate the Marina (or any third parties, as appropriate) for any loss or damage caused.
- 11.3. No fuel, paint, chemical or other potential pollutant shall be brought onto the Marina unless it is in an appropriately designed, secure container. The Lessee/Licensee shall ensure that if the container is kept aboard the Vessel, it is stowed in a seamanlike manner and in a suitably drained and ventilated position.

- 11.4. Lead-acid batteries shall only be charged at the Marina if they are housed in a properly ventilated compartment.
- 11.5. Vessels shall not be refuelled anywhere at the Marina except at the fuel berth or other place designated by the Lessor for the purpose. It shall be the responsibility of the Lessee/Licensee to ensure that the fuel is delivered onboard his Vessel in a manner that minimises the risk of fire. Fuel suppliers must hold a work permit as required under applicable law.

12. Termination

- 12.1. In case of force majeure, the Lessor shall have the right to terminate the Agreement by serving the Lessee/Licensee with such Notice as is reasonable in the circumstances. Force majeure will be deemed to apply if at any time the Marina is so badly damaged or affected by any natural or man-made occurrence or intervention, or by or due to any other matter beyond the Lessor's reasonable control, such that the Lessor can no longer provide the Berth and/or its associated services in accordance with the Agreement. In the event of such termination the Lessor will refund the Lessee/Licensee the unexpired portion of his Lease/Licence fee, subject always to the provisions of Clause 3.8.
- 12.2. In the event of any breach of the Agreement or these Terms and Conditions, the Lessor shall have the right to terminate the Agreement in accordance with the following procedure:
 - a) If the Lessor determines that the breach is serious then the Lessor may terminate the Agreement without Notice; or
 - b) If the Lessor does not determine the breach to be serious, the Lessor will first serve Notice on the Lessee/Licensee, specifying the breach and requiring him to remedy it within 14 days. If the Lessee/Licensee fails to remedy the breach within 14 days, the Lessor may at any time thereafter serve a further Notice on the Lessee/Licensee terminating Agreement and requiring him to remove the Vessel from the Marina within 14 days.
- 12.3. If the Lessee/Licensee fails to remove the Vessel from the Marina upon termination of the Agreement then the Lessor may:
 - a) Continue to charge the Lessee/Licensee the Rental Fee and other charges (in accordance with the Lessor's current published schedules, where applicable) for keeping the Vessel at the Marina; and/or
 - b) At the Lessee/Licensee's risk, remove the Vessel from the Marina and charge the Lessee/Licensee for this move and for any subsequent berthing, storage and other costs properly incurred; and/or

- c) Give 28 days written Notice to the Lessee/Licensee of its intention to take measures to recover the amounts due to it by disposing of the Vessel in accordance with Clause 12.4.

12.4. If a Vessel appears to have been abandoned, or if the Lessee/Licensee fails to respond to Notices that have been properly served, then the Lessor may dispose of the Vessel as follows:

- a) The Lessor shall serve a further Notice on the Lessee/Licensee at his last known address and shall publish a Notice in a Montenegrin national daily newspaper and shall fix a Notice to the mast or superstructure of the Vessel. These shall be three (3) - month prior notice of the Lessor's intention to dispose of the Vessel at public auction;
- b) If the Lessee/Licensee fails to respond by paying all amounts owing to the Lessor and (if applicable) fails to remove the Vessel from the Marina or its storage place, then the Lessor may initiate the court procedure to sell the Vessel at public auction following the expiry of the (3) - month notice period as aforesaid; and
- c) The Lessor shall be entitled under the law to deduct from the sale proceeds any costs properly incurred by it under these Terms and Conditions and/or under the terms of any other agreement it has with the Lessee/Licensee, as determined by the court. The Lessor shall then account to the Lessee/Licensee for any balance, as determined by the court. If any amount still remains due from the Lessee/Licensee to the Lessor then the Lessor reserves the right to take further action to recover the outstanding amount from the Lessee/Licensee.

12.5. The Lessee/Licensee may terminate the Agreement at any time but will be deemed to have taken account of the provisions of Clause 3.8.

13. Validity

13.1. The Marina Terms and Conditions are made part of the Agreement by reference.

13.2. The Lessor reserves the right, acting reasonably, to amend or add to these Terms and Conditions if it deems it necessary to do so for the safe and efficient operation of the Marina. Such amendments or additions shall become effective 24 hours after being publicly displayed on the Lessor's notice board at the Marina and served on the Lessee/Licensee in accordance with the Notices provision stipulated herein.

13.3. In case of any conflict between these Terms and Conditions and the Agreement, the terms of the Agreement will prevail.

- 13.4. The Clause headings are for identification only. Where applicable, words signifying the masculine also include the feminine and the singular the plural. In the event that these Terms and Conditions are translated and a question of interpretation arises or there is any uncertainty as to meaning, then the original, Montenegrin, version shall prevail.
- 13.5. These Terms and Conditions have been prepared in Montenegrin and the English languages. In case of discrepancy the Montenegrin version will prevail. Each Party shall retain one copy of both language versions of these Terms and Conditions.
- 13.6. Any dispute arising out of or in connection with the Agreement shall be resolved by the competent courts of Montenegro.
- 13.7. These Marina Terms and Conditions shall be governed by the applicable laws of the Republic of Montenegro.