

## GENERAL CONDITIONS FOR CONTRACTING

### 1. General Terms

These general conditions of contracting ("*General Conditions*") define the rights and obligations of Silent Yachts Trading GmbH, a company registered under Austrian law, with registered office at Pirk 22, 9064 Magdalensberg, Austria ("*Seller*") and the purchasing party ("*Buyer*") for the construction and purchase of one Silent Yacht. The Buyer and Seller constitute the "*Parties*".

These are the only binding conditions reflecting the entire agreement between the *Parties* (subject to the order form signed by the Parties "*order*") and its annexes. The *order*, its annexes and these *general conditions* together constitute the "agreement". There are no other oral or written conditions, agreements, assurances or promises in any form. Any amendments of these *general conditions* or of the *order* or its annexes shall be in writing and have to be signed by both *parties*. The *order* of the *Buyer* defined is becoming effective when the *order* is signed by both *parties*.

The *order* of the *Buyer* must be accompanied (in written form) by the technical specification which fixes the general specifications of the ordered yacht ("*Yacht*"), which define the parts to be made in all aspects.

The form "options & prices" which is part of the binding *order* may be delivered after the order form itself. Nevertheless, the following characteristics need to be decided and delivered to the Seller latest three month before the start of lamination:

- Propulsion
- Thrusters
- Hydraulic platforms
- Camera systems
- Underwater lights
- Cabin layout
- Deck layout
- Veneer selection
- All other options

At the start of lamination:

- Complete interior material selection, such as:
  - o Flooring
  - o Countertops
  - o Fabrics
  - o Any other interior related selections

It is understood and accepted that in case of non-fulfillment of the above timeline, the vessel will be built according to standard specifications, or will be delivered with a certain delay.

The *Seller's offer* may not be claimed as firm and binding, if it is not expressly accompanied by a validity deadline. The same also applies in each case where the *Buyer* requires modifications to the technical specifications.

The date of signing the *order* is the "*effective date*". The date of the receipt of the first down payment by the *Seller* is the "*commencement date*".

The *Buyer* is not entitled to cancel any *order*.

In general, the *Yacht* shall be constructed as per CE-rules, regulations and requirements.

On request the *Yacht* shall be built in compliance to other rules, regulations and requirement of classification societies of various countries, if such adaptations or customizations are offered by the *Seller* (CE is offered). If this is required, the *Buyer* shall pay all costs for the construction of the required adaptations or customizations as well as all fees and charges incidental to the classification and compliance with the classification society's rules, regulations and requirements in relation to the construction of the *Yacht*, including fees and charges for the certification and plan approval or any related costs. These costs are in addition to the construction price of the *Yacht* indicated in the *order*. The *Seller* will provide a separate offer for these adaptations or customizations to the *Buyer* showing the costs and the expected construction time. It is possible, that such adaptations or customizations could change the specifications and thus also the performance of the *Yacht*.

If after *the effective date* any requirements or any rules, regulations and recommendations of the classification society to which the construction of the *Yacht* is required to conform, are altered or changed by the classification society, then the *Seller* shall notify the *Buyer* and shall present to the *Buyer* a separate offer *mutatis mutandis* according to the previous section. If the *Buyer* does not accept the separate offer from the *Seller*, the *Seller* shall have the right to construct the *Yacht* according to the specifications which the *Buyer* indicated at the signature of the *order* and which the *Seller* later accepted in writing.

For the avoidance of doubt, countersignature of this agreement by the *Seller* constitutes its acceptance of the *Buyer's order*.

The price of the *Yacht* is subject to price changes of material prices or other prices which are not directly under control by the *Seller* shipyard. Unpredictable and unannounced price changes by suppliers can – if they can be proven and justified by Silent Yachts, be passed on to the buyer.

The *Seller* shall make all reasonable efforts to arrange alternative suppliers of materials of equivalent quality in order to avoid incurring price increases. If a supplier changes his price during the construction of the *Yacht*, the price of the *Yacht* will be adapted accordingly, meaning that if prices fall the cost to the *Buyer* shall also be reduced.

Any kind of changes ordered by the *Buyer* including changes of flag state or regarding the requirements of any classification-society (all except CE regulations) could postpone the delivery and has to be agreed by the *Parties*.

The *Seller* shall have no other liability (whether direct, indirect or consequential) for delay in or failure of completion on time or failure in performance other than those explicitly provided in these General Conditions.

## 2. Construction Standards

The *Seller* shall build and deliver the *Yacht*, and the *Buyer* shall be obliged to pay for a *Yacht*, which is built to CE construction standards typical for yachts of this size, type and value. The *Seller* is responsible for the design, naval architecture, engineering and construction of the *Yacht*. The *Seller* shall be responsible for the quality and finish of the *Yacht*, irrespective of whether certain elements are constructed by third party subcontractors. If the *Seller* elects to subcontract any elements of the construction of the *Yacht*, all subcontracted works shall meet the standards imposed by this agreement.

## 3. Payments and Default

Except in the case of an agreement to the contrary between the *Parties*, the contract prices are per unit, exclusive of tax (and exclusive of VAT) and in Euro. All payments have to be transferred in Euro without any deductions. Cheques are not accepted; the down payment and all other instalments shall be transferred to the account of the *Seller* without any deductions and fees. All bank fees on *Buyer*'s side have to be borne by the *Buyer*; all bank fees on *Seller*'s side will be borne by the *Seller*. The *Buyer* agrees to transfer to the account of the *Seller* the instalments stated on the *order*, which forms part of the agreement. The *Seller* will send an invoice and a report with photos to the *Buyer*, stating that a certain milestone is finished. After receiving the report, the *Buyer* transfers the money within 5 bank-days to the *Seller*'s account. All options shall be chosen in the *order*. Any change and any order of optional equipment or feature after the start of the construction may change the price and the time for completion, which shall be agreed by the *parties*. Options and changes ordered after the commencement date have to be paid 50% when started, 50% when completed. The delivery of the *Yacht* or of parts of it is always recognised to be carried out at the production-site of the *Yacht*. The costs for transporting the *Yacht* to another harbour shall be borne by the *Buyer* and will be invoiced separately, although the cost of launching the *Yacht* at the production-site is included in the purchase price.

The *Buyer* is in default in the following events:

- a) If the *Buyer* is in default of the payment of any amount properly due to the *Seller*, the *Seller* shall be entitled to postpone the delivery date by the number of additional days of delay in the payment of such amount.
- b) If the *Buyer* fails to pay any amount due to the *Seller* within thirty (30) days after the due date therefore, and after notice to the *Buyer* in writing that payment is overdue; or
- c) If *Buyer*'s default has not been remedied (and is capable of remedy) within thirty (30) days of receiving written notice of such default from the *Seller*; or
- d) if any of the *Buyer*'s assets are subject to sequestration due to debt enforcement proceedings or the *Buyer* is or might soon be subject to bankruptcy proceedings, to compositions proceedings or to any proceedings of similar nature or effect.

Upon the happening of any event (a) to (d) noted above, the *Seller* may terminate the agreement by serving upon the *Buyer* written notice of termination and upon receipt of that written notice of termination by the *Buyer*, this agreement shall forthwith terminate.

Upon termination of the agreement by the *Seller* due to a default by the *Buyer*, the *Seller* shall be entitled to keep all funds received by the *Buyer* and shall sell the *Yacht* promptly, for fair market value. When the *Yacht* is sold by the *Seller*, the *Seller* shall retain from the sale proceeds all actual reasonable, evidenced, direct costs and expenses incurred by reason of the *Buyer's* default, all amounts in arrears due by the *Buyer*, all additional costs incurred in the sale of the *Yacht* not previously or otherwise recovered and interest at the default rate of 5% on any amounts in arrears. A potential balance of any proceeds shall be paid to the *Buyer*. The intention of this clause is that the *Seller* should not suffer direct financial loss from a *Buyer's* default. The intention and effect shall never be that the *Seller* takes an increased profit from such default, and it shall never recover monies for one single loss more than once.

If the *Buyer* already fails to pay the first down payment, he agrees to transfer a lump sum compensation of 10 % of the purchase price for the cancellation of the contract.

The *Seller* is in default in the following event:

- a) If the *Seller* fails to complete and deliver the *Yacht* to the *Buyer* on the agreed delivery date, provided such delay is not totally or mainly caused by the *Buyer*. In this event, the *Buyer* shall send a written warning and require the delivery of the *Yacht* within a term of at least 30 (thirty) days. If after such term the *Yacht* has still not been delivered, the *Buyer* shall send a second written warning with a second and last additional term of 30 (thirty) further days. If after the expiration of this second additional term the *Yacht* is still not delivered, the *Buyer* may terminate the agreement by serving a written notice to the *Seller*, and by delivery of such notice the agreement shall forthwith terminate.

The *Buyer* may also terminate this agreement forthwith if:

- a) the *Seller*, the Shipyard or any of their assets are subject to sequestration due to debt enforcement proceedings or the *Seller* or shipyard is or might soon be subject to bankruptcy proceedings, to compositions proceedings or to any proceedings of similar nature or effect (including voluntary winding up); or
- b) the *Seller* and/or shipyard is in material breach of any provision of this agreement and such breach is either incapable of remedy or which the *Seller* and/or shipyard fails to remedy within 30 (thirty) days following notice to do so from the *Buyer*.

Upon termination of this agreement by the *Buyer* for *Seller's* cause:

- a) the *Seller* shall refund all funds paid by the *Buyer* to the *Seller* within 15 (fifteen) days; or, if the *Buyer* so elects

- b) the *Seller* shall deliver up the *Yacht* (along with all materials, equipment, drawings and plans) in her present state and condition to enable the *Buyer* to complete the construction elsewhere, in which case the *Seller* and the shipyard shall provide all necessary assistance to the *Buyer*.

#### 4. Delivery and Transfer of Ownership and Risk

The *Yacht* shall be launched and fully ready for Delivery 12 months after the start of the lamination (subject to extension as provided in these General Conditions or as otherwise agreed between the *Parties*).

The *Buyer* shall be informed at least 14 days before that date in written when he can take over the *Yacht*.

Save where delivery timeframes are dealt with explicitly elsewhere in this agreement, in the event of unexpected and reasonable delays not directly controlled by the *Seller* it shall be permitted a grace period for the date of delivery of up to 30 (thirty) days without penalty. Thereafter, the *Seller* shall pay to the *Buyer* liquidated damages of €500 (five hundred Euro per day) for each full day of late delivery. Upon the expiry of 90 (ninety) days beyond the scheduled delivery date the *Buyer* shall be entitled to terminate the agreement, reject the *Yacht* and the terms of clause 3B a) shall apply.

#### 5. Pre-delivery Sea Trials

Prior to delivery, the *Seller* shall conduct *sea trials* of the *Yacht* ("*Sea Trials*") and shall evidence its compliance with the terms of this agreement and the specification.

The *Seller* shall notify the *Buyer* with 14 (fourteen) days' prior notice of the *Sea Trials* to enable the *Buyer* (or its technical representative) to attend. If the *Yacht* is built to classification society standards, a representative from the applicable society shall be in attendance.

The *Sea Trials* shall be carried out in weather conditions not exceeding beaufort force 4 and the *Yacht* shall remain at the risk, control and cost of the *Seller* for the duration and until delivery.

Upon completion of the *Sea Trials*, the *Seller* (and, if appointed, the *Buyer's* technical representative) shall certify the *Yacht's* technical conformity. If the *Yacht* fails to achieve technical conformity, the *Buyer* shall be notified in writing immediately.

If, during the *Sea Trials* or prior to delivery, items of minor nonconformity are found, the *Seller* shall remedy such items at its expense either prior to delivery or not later than 6 (six) weeks after delivery.

Items of minor nonconformity shall be any item which:

- a) is of minor importance and
- b) does not render the *Yacht* unseaworthy or prevent her safe operation, nor impedes the use and enjoyment of the *Yacht* by a reasonable *Buyer* acting objectively and
- c) alone or together with other items would cost no more than €500,000 (five hundred thousand Euro) to remedy.

If, during *Sea Trials* or prior to delivery, items of major nonconformity are discovered, the *Seller* shall remedy such defects prior to delivery. Any consequent delays to delivery shall not constitute permissible delays, although the *Seller* shall be entitled to utilize the 30 (thirty) day grace period described above to remedy any such major defects. Thereafter, the *Seller* shall be liable for liquidated damages for late delivery, as described above. Upon the expiry of 90 (ninety) days the *Buyer* shall be entitled to reject delivery, as described above. Items of major nonconformity are any defects over and above items of minor nonconformity.

The *Seller* shall be entitled to repeat *Sea Trials* after completion of remedial works.

After having successfully passed the *Sea Trials*, the *Yacht* should be delivered to the *Buyer* at the production facilities or at a location to be agreed by the *parties*. At the time of delivery, the *Seller* and the *Buyer* shall sign and deliver to each other a "delivery and acceptance protocol" confirming the location, date and time of delivery of the *Yacht* from the *Seller* to the *Buyer* and the acceptance of the *Yacht* by the *Buyer*. Transfer of ownership and risk in the *Yacht* is deemed to have been transferred to the *Buyer* once the *parties* or their representatives have signed the delivery and acceptance protocol. If the *Buyer* is not participating in the *Sea Trials* and takes over the *Yacht* after they are completed successfully and if there are no instructions on the delivery of the *Yacht*, delivery shall be deemed to have been carried out 14 days after a "notice of availability" is sent by the *Seller* to the *Buyer*. If the *Yacht* is still not taken over after these 14 days, then the *Yacht* is being stored and invoiced at the *Buyer's* expense and risk at a safe berth in a harbour reasonably chosen by the *Seller*.

The transfer of ownership and risk to the *Buyer* is achieved at the moment when the delivery as described above is completed or when the *Yacht* is stored as described, notwithstanding retained rights of ownership. Any costs of such storage shall be reasonable and at the *Buyer's* expense. Any taxes, fees and expenses in connection with the transfer of ownership and the registration under the flag of the *Buyer* shall be borne by the *Buyer*.

## 6. Documentation

At delivery the *Seller* shall supply the *Buyer* with following "Delivery Documents":

- the Builder's certificate,
- a report on the *Sea Trials* of the *Yacht*
- instruction manuals for the operation of the *Yacht's* equipment (in English language), as supplied by the manufacturers
- the owner's manual (which may be delivered up to 4 weeks after delivery)
- a docking plan,
- As-built electrical, mechanical, and piping schematics
- all documentation for classification certificates and approvals (if appropriate)
- Confirmation of Conformity or CE-Certificate (which is issued by a third party and may in fact follow within 60 days after delivery)
- declaration of warranty of the *Seller* that the *Yacht* is delivered to the *Buyer*

free and clear of any claims or other encumbrances upon the *Buyer's* title to the *Yacht*

- the documents for exportation of the *Yacht*, including an invoice for the *Yacht* and all other related expenses
- Commercial Invoice
- Comprehensive inventory of the *Yacht's* equipment and all items delivered with the *Yacht*
- All relevant warranty papers
- As-built drawings and plans for the *Yacht*
- Maintenance and operating manuals issued by all third-party suppliers
- Any documentation required to register the *Yacht*

After receipt of the documents described above and before taking over the *Yacht*, the *Buyer* will transfer the last payment and execute and deliver to the *Seller* the acceptance and delivery protocol for the *Yacht*, which shall in particular declare, that the *Buyer* has taken full possession and responsibility of the *Yacht* in full conformity with the agreement and that the *Seller* has no more duties and responsibilities for the *Yacht* except the *Seller's* warranty as described in these General Conditions.

## 7. Intellectual Property

The *Seller* warrants that it has all necessary title, ownership, permissions, licenses and approvals for all intellectual property incorporated in the *Yacht*, her systems and equipment and the design of the same. The *Seller* hereby grants the *Buyer* a perpetual, royalty-free license to use any such intellectual property to the extent required to operate, enjoy, use, repair and maintain the *Yacht* and the *Seller* warrants that it has the power and authority to grant such licenses. The *Seller* indemnifies the *Buyer* against any claims, losses, damages, liabilities and fees resulting from any infringement of patent, copyright or trademark rights which arise out of, or in connection with, this agreement or the *Yacht*.

## 8. Miscellaneous

The *Buyer* (or its technical representatives, as long as the representative does not belong to the competitors of the *Seller*) shall have the right to inspect the *Yacht* at any time during business hours, during her construction, upon not less than 7 (seven) days prior notice to the *Seller*. The *Seller* and the shipyard will grant access (or shall procure access is granted) to the *Yacht* and its parts and equipment. The *Seller* shall provide the *Buyer* with not less than 7 (seven) days' prior notice of all key inspections and tests which the *Buyer* (or its technical representative) shall be entitled to attend. Copies of test and inspection reports shall be provided to the *Buyer* upon request.

The *Buyer* shall inform the *Seller* of its appointed captain and/or crew not less than 4 (four) weeks prior to delivery, who shall all be granted access to the *Yacht* for familiarisation and training purposes. The *Seller* shall provide the *Buyer* and its captain and/or crew with sufficient training such that they are able to operate the *Yacht* upon delivery. The *Buyer* declares the he or his captain is in possession of a valid boat license according to international and national law.

The terms of this agreement and identity and personal details of the *Buyer* are to remain strictly confidential and shall not be disclosed to third parties without the prior, written consent of the *Buyer*. All communications, whether written or verbal, shall be in English.

Neither party shall assign, transfer, mortgage, charge, delegate, declare a trust over or deal in any other manner with any of its rights and obligations under this agreement, if not accepted in writing by the other party.

No variation of this agreement shall be effective unless it is in writing and signed by the *parties*. No failure or delay by a party to exercise any right or remedy provided under this agreement or by law shall constitute a waiver of that or any other right or remedy, nor shall it prevent or restrict the further exercise of that or any other right or remedy. No single or partial exercise of such right or remedy shall prevent or restrict the further exercise of that or any other right or remedy.

If any provision or part-provision of this agreement is or becomes invalid, illegal or unenforceable, it shall be deemed deleted, but that shall not affect the validity and enforceability of the rest of this agreement. Nothing in this agreement is intended to, or shall be deemed to, establish any partnership or joint venture between the *parties*, constitute any of them the agent of another, nor authorise them to make or enter into any commitments for or on behalf of another.

Notices:

Any notice in connection with this agreement shall be in writing and shall be:

- (a) delivered by hand or by pre-paid first-class post or other next working day delivery service at its registered office (if a company) or its principal place of business (in any other case); or
- (b) sent by email

Any shall be deemed to have been received:

- (a) if delivered by hand, on signature of a delivery receipt or at the time the notice is left at the proper address.
- (b) if sent, by the next working day delivery service, at 9.00 am on the second business day after posting; and
- (c) if sent by email, at the time of transmission, or, if this time falls outside business hours in the place of receipt, when business hours resume. Business hours means 9.00am to 5.00pm Monday to Friday on a day that is not a public holiday in the place of receipt.

This agreement may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all the counterparts shall together constitute the one agreement. Unless it expressly states otherwise, this agreement does not give rise to any rights under the contracts (Rights of Third Parties) Act 1999 to enforce any term of this agreement. The rights of the *parties* (being the Buyer and Seller) to rescind or vary this agreement are not subject to the consent of any other person or entity.



## 9. Force Majeure

Neither party shall be considered in default of the performance of its obligations under the agreement if such performance is prevented or delayed by circumstances beyond the reasonable control of the affected party. Such circumstances include war (whether declared or not), hostilities, revolution, civil commotion, industry-wide strike, lockout, epidemic, accident, fire, wind, flood, earthquake, blockade, embargo, rejection and/or withdrawal of industrywide export authorization and any law, order, proclamation, regulation or ordinance of any government or sub-division thereof, to the extent they are not under the direct control of the *parties*. This also applies to any prevention or delay of performance due to a force majeure event by the sub-contractors of the *Seller*.

## 10. Settlement of Dispute

These General Conditions, the agreement as well as all other matters and agreements (whether contractual or noncontractual) are governed by Austrian law and the Austrian courts shall have sole and exclusive jurisdiction. Place of jurisdiction is Klagenfurt, Austria.

The *Parties* must attempt to solve all differences relative to the interpretation and execution of the General Conditions, the agreement as well as all other agreements between them in an amicable manner before taking legal action or referring to the technical expert. An attempt to conclude a settlement shall be deemed to have failed when one of the *parties* notifies the other party in writing.

If any question, dispute or difference is not settled by amicable settlement and relates to a technical matter, the *parties* shall be referred to a mutually agreed technical expert for his interpretation and decision. The expert shall be independent and be an expert for the matters in question. If the *parties* are unable to agree the appointment of a sole technical expert, they shall each appoint a technical expert of their choosing, who shall then jointly appoint a third technical expert to sit as chairperson. Such decision shall be accepted by both *parties* and be final and binding. If the *parties* do not agree on the technical expert within a term of two weeks (which term shall start after written notification from one party to the other), they shall each have a further two weeks to appoint their own expert, who in turn shall have a further two weeks to appoint a chairperson. If a party fails to appoint an expert within the afore mentioned time frames, the other party's chosen expert shall sit as the sole technical expert. The prevailing party to any dispute, including any dispute settled by the technical expert shall be entitled to recover its reasonable and evidenced fees and costs from the non-prevailing party.

## 11. Limitation of Liability

The liability of each party under the agreement is limited to the amount of the purchase price, plus evidenced and reasonable costs and losses, plus interest at the rate of 5% per annum.

The *Seller* shall not be liable for any error in carrying out the agreement which is the result of an omission or inaccuracy in any documents or other information provided by the *Buyer*.

Neither party shall be liable to the other party or any other person or entity for incidental, special, indirect or consequential losses or damages (including loss of use, loss of profit and claims) whether arising under contract or otherwise.

However, no limitation of liability shall apply in the event of wilful misconduct or gross negligence or to the extent such limitation is expressly excluded by mandatory law.

## 12. Guarantees and Warranty Period

As far as permitted by law, all warranty rights under applicable law are excluded and only the warranty rights expressly defined in the agreement shall apply.

The validity of the warranty depends on the legal nature of the *Buyer* and is according to the following, if no other period is expressly defined in the agreement.

If the *Buyer* is a legal entity the warranty is limited to 12 months, starting from the date of legal delivery.

If the *Buyer* is an individual person the warranty is limited to 24 months, starting from the date of legal delivery.

As the *Seller* provides for some parts of the *Yacht* more than the statutory warranty period, the following will outline more specifically:

- The warranty for hull and deck is valid for 5 years against any manufacturing defect and starts to run from the day of delivery of the *Yacht*.
- The warranty for the engines is a lifelong guarantee.
- The warranty for the batteries is 8 years. This warranty is capped by 80% of the performance. This means that after 8 years 80% of the performance in comparison to the original ratio needs to be accepted by the *Buyer*.
- The warranty for the solar panels is 25 years. This warranty is capped by 80% of the performance. This means that after 25 years 80% of the performance in comparison to the original ratio needs to be accepted by the *Buyer*.

However, in case of the following use of that yacht the following limits of warranty apply:

- being used for professional purposes, including, but not limited to charter, sailing schools, fishing or workboats,
- built for competition, specifically when equipped/conceived for racing.

The warranty for the batteries is 4 years.

The warranty for the solar panels (Sunpower) is 25 years, but the flexible panels of the T-roof do not have a warranty, they are under the legal warranty of 12 months.

The warranty is strictly limited, at the sole *Seller's* discretion, to the free replacement or repair of any parts which are defective. The *Seller* or his sub-contractors shall have the right to inspect the boat prior to any work to assess the claim and the nature of the defect. The *Seller* expressly warrants any aspects of the *Yacht* and/or her construction, and/or the construction of any items delivered with or as part of the *Yacht*,

including those which have been manufactured or installed by any subcontracted third party as if the same had been carried out by the *Seller* itself.

However, by derogation at what is said hereabove, parts or accessories visibly bearing the trademark of another supplier only benefit from the warranty provided by that specific supplier (which the *Seller* shall seek to enforce on the *Buyer's* behalf, if necessary), although their installation is warranted by the *Seller*. The *Seller's* warranty does not apply to defects which are caused by improper handling, mooring and use of the *Yacht* and/or repair or modification of the *Yacht* or parts of the *Yacht* installed by the *Buyer* himself or any third party without the prior written consent of the *Seller*. No warranty shall apply to consumable materials, such as filters, water maker membranes, etc.

No warranty shall apply to defects which:

- occurred after lapse of warranty period,
- have been caused by fair tear and wear of the *Yacht*,
- have been caused by inappropriate, reckless or abnormal usage of the *Yacht* by the *Buyer*, his crew or any other third person, including but not limited to: collision, theft, burglary, etc.
- have been caused by wrong, inappropriate or insufficient maintenance of the *Yacht* by the *Buyer*, his crew or any third person,
- have been caused by the *Buyer*, his crew or any other third person,
- have been caused or contributed to by any unauthorized transformations, modifications or repairs performed by third parties on the *Yacht* or its equipment,
- have been caused by accidents or incidents caused by the *Buyer*, his crew or any other third person,
- are a result of force majeure,
- have been caused by fire (save where the fire is due to defective construction), aggressive atmospheric precipitation including rains, hurricanes, hail, thunder, or any force majeure events in § 9 above,
- have been caused by resins of trees, birds' excrements,
- have been caused by excessive heat due to a dark colour of the exterior paint,
- are results of any other external factors independent from the *Yacht's* manufacturing.

In order to be covered by the contractual warranties set out above, the *Buyer* of the *Yacht* must present its "Delivery Certificate and Receipt" and notify in writing the *Seller* of any defect(s). Notification must be detailed and precise and made within 10 days from the day the defect is discovered. Upon receipt of notice from the *Buyer*, the *Seller* shall then have eight days to respond to the *Buyer*.

The warranty is strictly limited to the free repair of above-mentioned manufacturing defects, either in the *Seller's* yards, or by a repair shop or shipyard chosen by the *Seller*. The costs of transporting the *Yacht* or any defective part are to be born exclusively by the *Buyer*. No indemnity whatsoever shall be paid in this respect. Any major event which affects the structure and seaworthiness of the *Yacht* and which is not the result of a manufacturing defect under warranty (for example a major collision), which may or may not have

qualified for a reparation of the hull and deck, will result in the immediate cancellation, without prejudice, of the warranty for all parts affected by the collision.

The *Seller* warrants, that the *Yacht* is in compliance with the agreement including the requirements, standards and specifications set out in the *order* and its annexes. The *Seller* makes no additional guarantee, warranty, or representation, express or implied, as to the kind, size, quality, description, performance and condition of the *Yacht* or its fitness for any other use or purpose and the *Buyer* confirms that he did and does not rely on any warranty not expressly made in the agreement. The *Seller* shall not be liable for indirect losses, including but not limited to charter income loss, inability to use the *Yacht*, loss of image, depreciation of the *Yacht* etc.

### 13. Extended Warranty

In order to get the benefit of an extended warranty after the end of the normal warranty-period, the *Buyer* can call the *Seller* to conduct technical inspection of the *Yacht*, at the *Buyer's* cost and expense, once a year as long as the extended warranty period lasts. Inspection shall be performed by one technician sent by the *Seller*, who will conduct general inspection of the *Yacht* and its systems.

At completion of the inspection the *Sellers'* technician shall prepare a report to be attached to the "owner's manual" of the *Yacht*, delivered by the *Seller* to the *Buyer* upon delivery of the *Yacht*.

The report shall in particular describe:

- general technical state of the *Yacht*,
- parts to be replaced immediately in order to keep the warranty in force,
- parts or equipment to be controlled or maintained by the crew.

In any case, the *Seller* decides at its own discretion if it agrees to a warranty extension and if yes, to which conditions. The *Seller* shall receive a copy of each report to be attached to the *Seller's* books.

### 14. Final Provisions

The *Buyer* agrees that the *Seller* shall have the right to engage and use third *parties* to build the *Yacht*, to proceed to warranty works and for any other obligations of the *Seller* hereunder, although the *Seller's* duties to the *Buyer* shall be unaffected. The invalidity or unenforceability of any provision of the agreement shall not affect the validity or enforceability of any other provision of the agreement. Any invalid or unenforceable provision shall be replaced by the *parties* by a valid and enforceable provision reflecting the economic intent of the *parties*. The same applies if it should turn out that the agreement has a gap. Any amendment or addendum to the agreement requires the written form and the execution of both parties.

The waiver of any right under the agreement by either party shall not be construed as a continuing waiver or of any waiver regarding any further circumstance. Any right waived on a single occasion may be exercised by the party waiving the right upon next occurrence of any circumstances creating such right. The *Buyer* acknowledges and agrees that the present General Conditions are an integrating part of the agreement.

Date:

THE BUILDER

THE BUYER