

Standard Terms and Conditions of Lengers Yachts B.V., a private limited company having its corporate seat in Muiden and its office address at Westzeedijk 2-3, 1398 BB Muiden, the Netherlands, filed with the Chamber of Commerce for Gooi-, Eem- en Flevoland on 31 March 2010.

Article 1 – Applicability

1. These terms and conditions apply to all offers, all contracts and any subsequent contracts concluded between Lengers Yachts B.V. (acting on its own behalf or as the agent of the selling owner), hereinafter also referred to as: 'Lengers' and another party, hereinafter also referred to as the 'Customer'.
2. The applicability of any standard terms and conditions of the Customer or third parties is hereby expressly rejected.
3. By entering into a contract subject to these terms and conditions the Customer accepts that these terms and conditions will also apply to any subsequent contracts with Lengers.
4. The original Dutch text of these terms and conditions will prevail over versions published in any other language in the event of conflicts or inconsistencies between the different language versions.

Article 2 - Offers

1. Except as otherwise provided in writing, all quotes, quotations and offers made by Lengers are without obligation.
2. Offers are binding on Lengers only if the Customer has confirmed his unqualified acceptance in writing or by electronic mail within the term set by Lengers (or if no term is set: within 8 working days of the date of the offer).
3. If the offer is not accepted, Lengers will be entitled to charge the Customer for all costs incurred by Lengers to make the offer.
4. Specifications relating to size, measurements, weight, power, capacity and speed provided in catalogues, illustrations, drawings et cetera are for indication purposes only and are not binding on the parties.
5. Lengers is entitled to change the design, specifications or character of the item to be supplied if this enhances its construction or technology. Minor variations in measurements or changes to the item to be supplied that are necessary for the execution of the contract are permitted.
6. Orders are carried out only on the basis of agreements made between Lengers and the Customer in writing and/or by electronic mail.
7. The ship will be built in accordance with European standards in force in the manufacturer's country, which standards may differ from the standards in force in other territories, such as the USA. The Customer will bear the risk of any use of the ship outside the territories for which it is intended; in that

case Lengers does not accept any liability for non-compliance with the applicable standards and any consequences thereof.

8. Any adjustments to the ship required by local guidelines will be at the expense of the Customer.
9. [Additional] agreements made and/or undertakings given by any member of Lengers' staff or any other person acting as Lengers' representative or agent will be binding on Lengers only if such agreements and/or undertakings have been confirmed in writing or by electronic mail by an authorized official of Lengers.

Article 3 - Prices

1. All prices quoted are net of Value Added Tax (VAT or *BTW*) and any other government levies, unless otherwise agreed in writing.
2. If Lengers agrees a specific price with the Customer, Lengers will nevertheless be entitled to increase such price if the purchase price is affected by changes in labour costs, social security and national insurance contributions, the cost of materials or land prices or import and export duties. If the price increase is more than 20%, the Customer will have the right to cancel the contract.
3. The Customer acknowledges and accepts that price increases that affect the purchase price and that occur during a period of default or delay attributable to the Customer will be passed on to the Customer.

Article 4 - Delivery

1. Items will be delivered by Lengers to the Customer ex works at the manufacturer's shipyard, unless otherwise agreed in writing and on condition that all payment obligations have been met and all customs formalities have been completed. Any trade-in ship of the Customer will be delivered to Lengers in Muiden, unless otherwise agreed in writing.
2. Lengers will offer the Customer the opportunity to make a trial trip and inspect the ship prior to delivery. If the Customer wishes to avail himself of this opportunity, he must do so within 8 working day of Lengers' notice, failing which the ship is deemed to have been inspected. In that case, any claim by the Customer that the ship does not correspond to the order or that the ship has defects, to the extent that such defects could reasonably have been discovered during a trial trip and/or inspection, will not be considered.
3. Any visible imperfections and defects discovered by the Customer during the trial trip and/or inspection must be specified and notified to Lengers in writing or by electronic mail as soon as possible, but within 48 hours of their discovery and prior to delivery, failing which the ship will be deemed to have been delivered free from defects.
4. The risk in the ship (to be delivered) will pass to the Customer at the time of completion of the ship, i.e. the time when the shipyard/manufacturer gives notice in writing that the ship is available for delivery.

5. If the Customer fails to take delivery of the ship after its completion, the ship will be stored at the Customer's expense and risk. The expenses to be borne by the Customer include harbour dues and mooring fees.
6. If Lengers sends the Customer a registered letter requiring the Customer to take delivery of the ship and the Customer fails to do so within 8 days of the date of such registered letter, Lengers will have the right to repossess the ship and all materials and appurtenances belonging thereto without court intervention, to sell the same by private treaty and to deduct the proceeds from the outstanding debt.
7. Lengers will also have the right referred to in Paragraph 6 if the Customer is in the process of liquidation, has applied for or obtained court protection from creditors, is declared bankrupt or insolvent, enters into a debt payment programme under the Netherlands Debt Arrangement (Natural Persons) Act (VWSNP) or if the ship is seized or arrested.
8. If Lengers and the Customer agree when the ship is bought that the Customer will trade in a (used) ship in or sell a (used) ship to Lengers, Lengers will acquire the full and unencumbered ownership of the ship (to be traded in) once the new ship has in fact been delivered and the Customer has paid the purchase price in full, unless the parties agree otherwise. Such a trade-in or sale will be effected only subject to the resolutive condition that the Customer takes delivery of the new ship and pays the full principal sum plus any interest and costs. Only Lengers may invoke this resolutive condition. If the Customer continues to use the trade-in ship in until the ship bought is delivered by Lengers, the mooring fees and the costs of maintenance, repairs, insurance and any loss and damage howsoever caused will be at the expense and risk of the Customer.
9. If Lengers sells a ship owned by a third party to the Customer, the contract of sale is concluded subject to the suspensory condition that the third party in question transfers the full and unencumbered ownership of the ship to Lengers.
10. Except as otherwise agreed in writing, the Customer bears the transport risk.
11. If the ship has been registered and the Customer is in breach of his obligations to Lengers, the Customer will be required to cooperate in the cancellation of the registration.

Article 5 – Delivery time

1. Unless expressly otherwise agreed, the agreed delivery time is approximate and not of the essence. Lengers is not liable for any loss or damage caused by late delivery.
2. If the Customer is in breach of his obligations, the delivery time will be extended by the period of any delays caused thereby. The costs associated with the breach will be borne by the Customer.
3. Lengers is not liable for late delivery to the Customer in case of force majeure.

Article 6 – Payment

1. Except as expressly otherwise agreed, the purchase price (or the balance of the purchase price) must be paid in accordance with the payment schedule included in or attached to the contract. The final

instalment must be paid prior to delivery. All payments must be made into the bank or giro account specified by Lengers.

2. The Customer is required to submit a solvency certificate at Lengers' request. If the Customer fails to meet this obligation, Lengers is entitled to suspend its obligations under the contract.
3. If the Customer fails to pay the purchase price or any part thereof within the specified time limit, Lengers may require the Customer to provide security for the payment of the purchase price or the balance thereof in the form of such a bank guarantee or other guarantee as is customary in business practice.
4. If the (used) ship to be traded in by the Customer is sold by Lengers before the ship sold by Lengers to the Customer has been delivered to the Customer, Lengers will be entitled to retain (part of) the sale proceeds of the trade-in ship and to pay any amounts due and payable by the Customer from those proceeds. If Lengers does not sell the trade-in ship before delivery of the ship to the Customer, the agreed value of the trade-in ship will be set off against the final instalment, unless otherwise agreed by the parties in writing.
5. Payments by the Customer must be made without any deduction or set-off.
6. If the Customer fails to pay any amount due to Lengers within the agreed payment term or, if no payment term has been agreed, within 8 working days of the date on which the Customer is declared in default by Lengers, the Customer will be in default by operation of law without any prior warning or notice of default being required. From such time, the Customer will be liable to pay interest on the amount overdue at a rate of 1% per month, a part of a month being treated as a full month for the purpose of calculating interest.
7. If the Customer is in default or in breach of his obligations to Lengers, all costs reasonably incurred in enforcing those obligations either in or out of court will be borne by the Customer, which costs are set at 15% of the amount overdue subject to a minimum of €1,500.
8. The Customer's obligations must be fulfilled immediately if the Customer goes into liquidation, is declared bankrupt or insolvent, obtains court protection from creditors or enters into a debt payment programme under the Netherlands Debt Arrangement (Natural Persons) Act (WSNP).

Article 7 - Retention of title

1. The ship delivered by Lengers to the Customer remains the property of Lengers or of the owner on whose behalf Lengers has sold the ship until the Customer has paid the principal sum payable under the contract plus any interest and costs in full to Lengers.
2. As long as the amounts due to Lengers have not been paid in full, the Customer is not entitled to dispose of the items in question or to pledge them or create any other (restricted) right on them.
3. If the Customer is in breach of his obligations or if Lengers has good reason to fear that the Customer will not meet his obligations, Lengers is entitled to repossess or have repossessed the ship subject to retention of title from the Customer or third parties holding the ship on the Customer's behalf. The

Customer is required to cooperate fully with such repossession. Failure to cooperate will render the Customer liable to a penalty of 20% of the amount payable by the Customer.

Article 8 - Force majeure

1. Performance of the contract between Lengers and the Customer is subject to force majeure. Lengers is not liable for any breach or non-performance if Lengers cannot be held liable therefor by law, on account of a juristic act or according to generally accepted standards and practice. Lengers will in any case not be liable for breach or non-performance in any of the following circumstances: in the case of fire in Lengers' premises or in the place where Lengers' property is stored, war, civil war, acts of terrorism (in and outside the Netherlands), riots, epidemics, traffic disruptions, strikes, maritime disasters of any kind, lockouts, loss or damage occurring during transport, unforeseen regulations or orders issued by government bodies or authorities, unforeseen business interruptions at shipyards, suppliers or other third parties on which Lengers is dependent and similar other circumstances beyond the control of Lengers that cause delivery delays or render delivery impossible.
2. Lengers' delivery and other obligations will be suspended during a force majeure event.
3. Lengers may also claim force majeure if the circumstance preventing [further] performance arises after Lengers should have fulfilled its obligations.

Article 9 - Liability

1. Under no circumstances will Lengers be liable for any loss or damage suffered by the Customer, regardless of the grounds for any action brought against Lengers, either for breach or non-performance, a wrongful act on the part of Lengers or its staff or for any other reason.
2. In circumstances where Lengers is unable to invoke the provision of Paragraph 1, Lengers will in no event be liable:
 - a. for any loss or damage arising from the fault of Lengers or caused by wilful intent, gross negligence or fault on the part of its subordinates;
 - b. for any loss or damage arising from incorrect or incomplete information or advice given prior to conclusion of the contract;
 - c. if the Customer fails to discharge his responsibilities or has provided incorrect, inferior or incomplete information or materials;
 - d. for any loss, damage and/or costs caused by or on the part of the builder of the ship;
 - e. for consequential and other indirect loss or damage, including loss of profits, unrealized savings, loss of data or loss of charter/rental income, even in the case of warranty repairs to the ship.
3. If the above exemption clauses cannot be invoked, Lengers' total liability will in no case exceed the lowest of the following two amounts: either € 22,500 or an amount equal to 5% of the total price agreed (exclusive of VAT).
4. Lengers' liability for the ship delivered to the Customer is limited at all times to the liability of Lengers' supplier with respect to the ship in question.

5. The Customer will indemnify, defend and hold Lengers harmless from and against any third-party claims.

Article 10 - Warranties and complaints

1. Where the subject of the contract of sale is a new ship or a ship which is still under warranty, the manufacturer's warranty with its conditions is transferred to the Customer. The warranty period of a new ship is two years from the date of delivery and will not be extended if a warranty claim is made.
2. Parts which are replaced or repaired during the warranty period are warranted for the remaining original warranty period. The warranty will transfer to a new owner for the remaining original warranty period.
3. The following are not covered by the manufacturer's warranty: defects in engines, generators, drive mechanisms, batteries, electronic instruments and all equipment and other machines not installed by the manufacturer. Engines, generators and electronic instruments are covered by the warranty of the supplier in question.
4. The manufacturer's warranty and/or Lengers' liability is excluded if the ship is used in the territorial waters of the USA and/or Canada.
5. No warranty is provided on emergency repairs.
6. Colour changes due to exposure of the ship to ultraviolet radiation and the antifouling coating on the ship are not covered by the warranty.
7. The following are specifically excluded from the warranty: defects arising from or (possibly) caused wholly or partly, either directly or indirectly, by normal wear and tear, incompetent or improper use or maintenance, failure to exercise due care, accidents, specific climate or atmospheric conditions (frost/extreme heat), explosions, fires, storms, earthquakes, tsunamis, volcanic eruptions, transport, fungi, insects, parasites, deterioration of paintwork and/or furnishings and/or upholstery and/or metal surfaces due to climate factors, use of the ship in races, regattas or similar events, bareboat charter of the ship (i.e. rental without its customary crew or owner), the towing of other vessels, as well as changes made by the Customer or by third parties to the ship delivered. Lengers does not accept liability either for loss or damage, consequential or otherwise, caused by any of the defects as referred to above.
8. Lengers does not accept any liability for (external) imperfections resulting from the nature and quality of the materials used.
9. Lengers does not accept any liability for the applicability and suitability of materials and equipment supplied by the Customer or the use or application of which is prescribed by the Customer.
10. The warranty covers repairs to and the replacement of parts which are found to be defective by the manufacturer's after sales service department. The labour costs associated with replacing or repairing defective materials will be borne by the manufacturer. The costs of transport of materials as well as travelling expenses and other costs and expenses for technical staff will be borne by the Customer. If the ship must be transported to another harbour for repair, the transport costs are

payable by the Customer. If the ship must be repaired at a shipyard, the shipyard costs of cranes and storage are payable by the Customer.

11. The antifouling coating is not covered by the warranty.
12. Lengers is not required to provide any warranty in case of non-performance, defective performance or late performance by the Customer of any obligation imposed on him by the contract concluded with Lengers.
13. Complaints about the performance of the contract must be specified and notified to Lengers in writing or by electronic mail within 8 working days of the date on which the Customer discovered or should have discovered the defects. If the aforesaid time limit is exceeded, no claim will lie against Lengers in respect of the defects in question.
14. In principle, all costs of repairs to the ship are payable by the Customer and the Customer is required to pay such costs in advance. If these costs are reimbursed by the manufacturer, they will be repaid to the Customer.

Article 11 - Service

1. The Customer is required to make the ship available to Lengers after the first 30 to 50 hours of sailing for service at a location to be specified by Lengers, but only for the period required by Lengers to perform a complete inspection of the ship and to remedy any defects identified. Any identified defects that are covered by the warranty will be remedied at the manufacturer's expense. Any other changes or alterations to the ship required by the Customer are payable by the Customer.
2. If the Customer fails to make the ship available for service, the aforesaid warranty will be forfeited.

Article 12 - Mooring

Lengers will use its best efforts to assist the Customer in finding a mooring for the ship if so required by the Customer. In doing so, Lengers is not under an obligation to achieve a result and under no circumstances will Lengers be deemed to have given any guarantee of obtaining a mooring. The Customer acknowledges and accepts that obtaining a mooring is not an essential condition for entering into a contract of sale or any other contract with Lengers.

Article 13 - Default/Termination

1. If the buyer fails to meet his financial or other obligations under the contract, the buyer will be liable to pay a penalty of 25% of the sales price to the seller. Such penalty will be immediately due and payable without any set off and without any formality being required, and will not be subject to review. The provisions of this paragraph apply without prejudice to the seller's right to claim compensation for the loss or damage in fact sustained as a result of the buyer's default in addition to the aforesaid penalty.
2. If the buyer is in default of his obligations as referred to in the preceding paragraph, the seller will have the option either to demand performance of the contract or to terminate the contract without court intervention and without liability to the buyer. In the latter case, the buyer remains liable to pay the penalty and the compensation for the loss or damage arising from his breach.

3. The preceding paragraph also applies if the Customer is declared bankrupt or insolvent, obtains court protection from creditors, is placed under guardianship or goes into liquidation.

Article 14 - Cancellation

If the Customer cancels the contract in whole or in part, Lengers will have the option either to demand performance of the contract or to require payment by the Customer of a penalty equal to at least 25% of the sales price, without prejudice to Lengers' right to claim additional compensation or compensatory damages, such as for loss of profits, interest or storage costs. In that case Lengers is entitled to retain all payments made by the Customer and to set off those payments against the penalty and/or compensation and/or damages.

Article 15 - Dispute resolution

1. All contracts between Lengers and the Customer are governed exclusively by the laws of the Netherlands.
2. Any disputes arising between the Customer and Lengers, including disputes concerning the interpretation of these terms and conditions, will be subject to the exclusive jurisdiction of the courts in Amsterdam.
3. However, Lengers remains entitled to summon the Customer to appear before the court having jurisdiction according to the law.

Article 16 - Amendments to these terms and conditions

1. Lengers may amend these terms and conditions. Such amendments will take effect on the effective date specified by Lengers. Lengers will send a copy of the amended terms and conditions to the Customer in good time.
2. If Lengers has not informed the Customer of the effective date of the amendments, they will take effect as soon as the Customer has been advised of the amendments.