



THE MOORINGS CURRENTLY OFFERS TWO PROGRAMS: Guaranteed Income Program & Option to Purchase Program

“GUARANTEED INCOME PROGRAM” is available in all countries except Greece, Thailand, and Tahiti.

In Greece, Thailand, and Tahiti, the “OPTION TO PURCHASE” agreement is the only program sold.

HOW THE PROGRAM WORKS (GUARANTEED INCOME)

1.) BUYER PURCHASES THE YACHT

Buyer pays cash for a fully equipped yacht. Includes electronics, chart plotter, auto-pilot, cruising gear, commissioned and delivered to the charter port. The registration and flagging costs are not included.

2.) THE MOORINGS PAYS OWNER A LEASE PAYMENT EACH MONTH

The Moorings pays the Owner a payment guaranteed to be the same amount each month for the duration of the program.

3.) THE CHARTER COMPANY PAYS ALL OPERATING EXPENSES

The Moorings pays for all parts, maintenance, insurance for the yacht, plus haul outs, bottom paint, dockage or moorage.

4.) IN ADDITION TO THE COST OF THE YACHT THE OWNER PAYS FOR

The cost of registering or flagging the yacht and any annual fees associated with this. When the Owner uses the yacht, the Owner pays a onetime turn around fee. This is a flat fee regardless of the number of days the Yacht is used.

5.) THE OWNER MAY USE THE YACHT UP TO 12 WEEKS PER YEAR

Owners receive up to 12 weeks of access to their yacht or a like yacht each year. Owners receive 42 points annually to be redeemed for Advanced Booking. Advanced Booking means this use can be

booked as far in advance as the End of Contract (EOC) date. High Season days (**per the grid below**) can be booked for two points per day and low season use at one point per day. Owners also receive 42 points annually for short notice use. Short Notice Use is use booked inside 16 days at most destinations and 3 to 7 days at some select bases in the Mediterranean.

6.) MAINTENANCE AND END OF CONTRACT

The Moorings Charter Operations employ a methodical and manualized maintenance program. In yacht sales we describe it the A, B, C, and D maintenance. \

The A maintenance is the maintenance scheduled as a result of the end of charter debriefing.

The B maintenance is the periodic oil, gearbox and other fluid changes required for preventive maintenance.

The C maintenance is the major maintenance that is scheduled annually where the boat could be hauled an bottom painted as necessary, engine and transmission manufacturers' recommended "major" maintenance is performed as well as cosmetic work to hull and bright work.

The D maintenance is the EOC maintenance. This will be scheduled per the management contract.

7.) THE LENGTH OF THE PROGRAM:

The Term of the Agreement is approximately 4.5 years in the Caribbean and 5.5 years in the Mediterranean and exotics.

HOW THE PROGRAM WORKS (OPTION TO PURCHASE)

1.) THE BUYER SIGNS AN OPTION TO PURCHASE THE YACHT

This agreement requires a single cash payment of 55% of the retail price of the yacht. This is divided into a fee and a loan. The fee is 20% and the Loan is 35% of the retail price. There is no income paid on this program

2.) THE BUYER EXERCISES THE OPTION TO TAKE TITLE TO THE YACHT OR REPAYMENT OF THE LOAN.

At least twelve months prior to the end of the contract the Buyer must notify The Moorings that he will be exercising the option to take the yacht. Alternatively the Buyer may option to NOT take the yacht and instead accept a cash payment, commonly called a "Buy-Back". The repayment of the Loan which is the 35% of the retail price paid. There is no income paid during the term of the Option to Purchase contract.

The terms of the rest of the program are identical to parts 3.) through 7.) of the Guaranteed Income Program.

