

GARANT d.o.o. charter party conditions

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GARANT d.o.o. (hereinafter: GARANT) vouches for the technical adequacy and good condition of all of its boats.

A person who confirms a reservation and/or makes an advance payment (hereinafter: the client) establishes a legal relationship with GARANT, and confirms that they agree with the general charter conditions. Everything described in these general charter conditions represents a legal obligation for the client, as well as for GARANT. These conditions are the foundation for the settling of any eventual disputes between the client and GARANT.

1. Price and payment conditions

Charter prices are published in euros (€) on the currently valid GARANT price list.

The stated prices include a technically adequate and clean boat with a full fuel tank, usage of the boat and its equipment, compulsory and hull insurance, accident insurance for the crew (covering disability and death), mooring in the home marina, a Croatian sailing permit, and concessionary approval for the boat.

The stated prices do not cover the costs of mooring and taxes in other marinas during the charter, fuel costs and the costs of other necessities, car parking, and medical insurance for the crew.

In order to confirm the charter reservation, the client shall make an advance payment to the amount of 40% of the charter price. The remaining amount up to the complete value of the charter shall be paid at the latest 3 weeks before the beginning of the charter.

The client may only take over the reserved boat under the condition that all the necessary payments have been properly made.

2. Changes and cancellation of the charter

If the client wishes to change the charter characteristics or cancel the charter, this must be done in writing (via e-mail, fax, or post).

The date on which GARANT receives written notification of cancellation shall be the date which is the basis for calculating the cancellation costs, which shall be done in the following way:

- For cancellations up to two months before the beginning of the charter, GARANT shall charge 30% of the total charter price.
- For cancellations up to a month before the beginning of the charter, GARANT shall charge 50% of the total charter price.
- For cancellations within one month of the beginning of the charter, GARANT shall charge 100% of the total charter price.
- For cancellations after takeover of the boat, GARANT shall charge 100% of the total charter price and charge the client for all costs arising from the cancellation.

If, when cancelling, the client manages to find a substitute client who is willing to take over their rights and obligations, GARANT shall only charge the direct costs resulting from the client change.

GARANT does not assume responsibility in the event of changes or cancellations which are due to *force majeure* (acts of God) or forces of nature (war, riots, strikes, acts of terrorism, extraordinary sanitary conditions, natural disasters, extreme sea or weather conditions, interventions by the competent authorities, and the like).

3. Takeover of the boat (CHECK-IN)

GARANT is obliged to provide the client with a technically adequate, completely equipped boat with a full fuel tank that is clean, tidy and ready for sailing after 5.00 PM on the first day of the charter.

Before takeover, the client is obliged to provide the GARANT base with a verified voucher which indicates that the total charter amount has been properly paid.

The client shall leave GARANT a compulsory security deposit which guarantees compensation for all eventual losses or damage during the charter, even if they are not covered by the insurance policy. The deposit shall be made in cash, with a blank credit card slip, or with an automatic pre-authorisation.

The deposit shall be returned to the client in full after a GARANT representative has ascertained that the boat has been returned at the agreed time at the agreed place, tidy and undamaged, and with a full fuel tank, and under the condition that no claims from third parties have been made or are expected to be made against the client in connection with their use of the chartered boat.

In the case of gross negligence resulting in damage to the boat and/or its equipment, as well as in the case of loss of boat parts, the client shall cover all expenses. GARANT shall keep the amount of the deposit equal to the cost of repairs and/or the cost of the purchase of spare or substitute parts. In the case that further chartering is not possible due to damage and/or loss caused by the client, GARANT shall keep the amount of the deposit equal to the lost profit.

Deposit insurance (not obligatory) if concluded with Garant:

- for boats up to 40 feet – 250.00 euros per week non-refundable + 300.00 euros refundable (when returning with an empty diesel tank or blocked toilet or not coming back on time)
- for boats 40-50 feet – 350.00 euros per week non-refundable + 300.00 euros refundable (when returning with an empty diesel tank or blocked toilet or not coming back on time)
- for boats longer than 50 feet – 500.00 euros per week non-refundable + 500.00 euros refundable (when returning with an empty diesel tank or blocked toilet or not coming back on time)
- for catamarans - it is not possible at GARANT, but it can be done in all independent insurance companies

A deposit is obligatory even in cases when a boat is rented with a skipper provided by GARANT.

If the client, without prior notice, fails to take over the boat within 48 hours of the agreed check-in time, GARANT is authorised to unilaterally terminate the charter contract, and the client shall not have the right to subsequent reimbursement claims.

If for whatever reasons GARANT is unable to hand over the boat at the agreed time and place, GARANT shall have a deadline of until 12.00 PM the following day to provide the client with this or another boat with similar characteristics. If GARANT fails to do so, the client is authorised to terminate the contract and shall be entitled to a

full reimbursement of any payments made to GARANT. If the client decides to wait for a substitute boat after the agreed deadline (12.00 PM), they shall have the right to claim a reimbursement of an amount equal to the value of the charter days on which they were unable to use the boat. GARANT's responsibility for any amount higher than the agreed charter price, as well as for any other compensation claims by the client, shall be excluded.

During the takeover of the boat (check-in), the client is obliged to verify that the actual condition of the inventory and equipment is in accordance with the existing check-in list. All eventual complaints shall be made exclusively before the beginning of the charter. The client shall have no right to claim any reimbursement for defects on the boat or in its equipment which could not have been known to GARANT at check-in, or any defects or damage which arose after the check-in and could not have been anticipated by GARANT.

The client shall take over the boat with all the valid documents necessary for the charter (permit, insurance policy, crew list, etc.) and all other documents and enclosures in the boat's folder (list of captaincies, fuel stations, etc.). The client shall be obliged to handle the abovementioned documents with care and return them to GARANT at check-out.

4. Returning the boat (CHECK-OUT)

The client is obliged to return the boat to the agreed place at the agreed time, i.e. 6.00 PM at the latest, the day before the last day of the charter, with a full fuel tank and ready for its next navigation; i.e. in the same condition as it was taken over. The CHECK-OUT shall be performed by 9.00 AM at the latest on the last day of the charter. Before the CHECK-OUT, the client shall be obliged to take all garbage and waste off the boat and leave it at the designated place in the marina and to take their own luggage off the boat.

If the boat is not returned to the port appointed by the charter contract by 6.00 PM one day before the end of the charter, the client shall be obliged to cover the costs for a diver to carry out an underwater inspection of the hull.

If for whatever reason further sailing during the charter is impossible or a time in excess of the agreed return time is inevitable, the client must contact GARANT and the base manager for further instructions. The information about the notification must be entered into the boat's log. Undesirable weather conditions are not an acceptable reason for a delay of the return.

In the event of lateness, the client shall pay a penalty to the amount of 2% of the charter price for each hour exceeded. For lateness over 4 hours, the client shall pay a daily charter price for every started calendar day. All costs arising from a return in excess of the agreed check-out time shall be covered by the client. Exceptions to this rule may be possible, but only upon prior agreement between the client and GARANT.

If the boat is returned to a port not appointed by the charter contract, the client shall be obliged to cover all GARANT's costs arising from the transfer of the boat to the agreed port, as well as the stipulated charge for lateness and all damage that has occurred during transfer if it is not covered by the insurance policy.

When the boat is returned (check-out), the GARANT representative shall check the general condition of the boat and its equipment, and compare it to the check-in list which was signed at check-in.

The client is obliged to report any damage or loss to the GARANT representative. In the case that damage has occurred to the underwater part of the hull or if there is a suspicion of such damage, the GARANT representative may order an inspection either by a diver or by crane. If the damage or loss is confirmed by such an inspection, the costs shall be charged to the client.

If the boat is not returned with a full fuel tank, the fuel, as well as the service of filling the tank, shall be charged to the client. The price of a litre of fuel in this case shall be 50% higher than that currently valid and stated on the check-in list.

5. Client's obligations

The client is obliged to:

- provide GARANT, via a link to be sent by GARANT, with a crew list containing the following data of all crew members: full name, address, date and place of birth, nationality, ID document type and number, and the skipper's licence number, no later than one week before the beginning of the charter.
- have valid passports or IDs. The costs of any eventual loss or theft shall be excluded from GARANT's responsibility, and the takeover of the boat shall not be performed without such valid documents.
- check the printed material provided on the boat.
- handle the boat, its inventory and equipment with care and behave with full responsibility in every way. The charterer undertakes to treat of the chartered yacht as his property in accordance with the rules of good seamanship.
- handle the boat without being under the influence of alcohol or drugs. Insurance companies will not cover damage that occurs under the influence of drugs or alcohol.
- sail within the borders of the territorial waters of the Republic of Croatia. Leaving Croatian territorial waters shall only be allowed upon the prior written consent of GARANT.
- sail only in safe weather conditions and in good visibility, and avoiding dangerous areas.
- adjust the sailing to the weather conditions and the crew's capabilities, and not allow unnecessary burdening of the mast, sails and ropes.
- not leave a protective harbour or anchorage if winds over 7 on the Beaufort Scale are forecast.
- not leave the harbour or anchorage if the boat or one of its vital parts is damaged and/or unsafe for sailing.
- not leave the harbour if the port authorities have issued a prohibition of sailing or in the case of insufficient fuel supplies.
- not use the boat for commercial purposes (transport of goods or people for remuneration), professional fishing, sailing schools or similar activities.
- not rent or lend the boat to a third party.
- not board more people than the boat is registered for, and not allow people not stated on the crew list to stay on the boat.
- not participate in regattas or races without the prior consent of GARANT.
- not tow another boat and to take all possible preventive measures to avoid a situation in which the chartered boat would need to be towed.
- agree that the charter agreement is terminated in the case that any of the crew members breaks a valid regulation and/or law of the Republic of Croatia. After this, the boat shall be at GARANT's disposal, and the client shall not have any right to compensation from GARANT. GARANT renounces any kind of responsibility towards the state authorities in such cases; the client shall take sole responsibility for violations of the law and any crimes committed.
- assume responsibility and pay compensation for all costs for which it is established that they were caused by actions or commissions on the client's side and for which GARANT is materially and criminally responsible to a third party.
- agree that the client's responsibility for violations of sailing and other rules and regulations which are committed during the charter does not cease with the end of the charter.
- record, in the case of damage, an accident or breakages on the boat, the series of events, and immediately notify GARANT, file an accident report with the closest port authorities, and request verification from the harbourmaster, doctor or other competent authority.
- notify GARANT immediately in the case of any defect of the boat or its equipment. GARANT is obliged to repair the defect within 24 hours of receiving notification. In the case GARANT repairs the defect within 24 hours, the client has no right to compensation. Emergency telephone numbers for defect notifications are in the boats' documentation and/or on the boat's hull and check-in list.
- pay full compensation for any damage caused by their negligence or omission which is not covered by the insurance and for which GARANT is responsible to a third party.
- immediately notify the competent authorities and GARANT, and demand a copy of the police report in the event of the disappearance of the boat or its equipment, inability to sail, confiscation of the boat or prohibition of sailing by the government or a third party.
- assume full responsibility in the event of confiscation of the boat by the competent authorities due to irresponsible or illegal actions by the crew.
- be fully responsible for contamination of the sea during the filling of fuel tanks or by disposing of waste outside stipulated locations.
- the oil level, the cooling water level and the bilges are daily, the outlet of the cooling water is continuous to be checked by the charterer. Damage due to the motor running dry are not insured under any circumstances, and is for the account of the charterer.

- take pets (dogs, cats, etc.) aboard only with the previous permission of GARANT. No pets shall be allowed on board without prior agreement.
- charterer uses the boat to enter and leave ports under engine and only to sail under engine as far and as long as it is necessary. The maximum engine speed of 2,500 rpm should be maintained under all circumstances.
- the motor can be used with inclined position not be used under sails of more than 10 degrees heeling, as the engine will then have no water and Oil. It is forbidden to use the generator at an inclination of more than 10 degrees.

The client is materially and criminally responsible for their actions during the charter.

6. Skipper's obligations

The skipper of the chartered boat is obliged to possess all the necessary nautical knowledge and skills, as well as a valid boat leader's licence and VHF/GMDSS radiotelephony licence, and to bring them to the boat.

GARANT may ask the skipper to demonstrate their knowledge and skills at sea in the presence of a GARANT representative. The time used for this testing is included in the duration of the charter.

If a GARANT representative establishes that the skipper does not possess the appropriate knowledge, experience and/or valid licences for sailing, GARANT may appoint a professional skipper to join the crew at additional cost in accordance with the valid price list. If the client does not accept the appointed skipper, GARANT has the right to forbid the client from sailing out with the boat, terminate the contract, and keep the full paid amount. The client shall have no right to reimbursement.

If the client knows in advance that they will need skipper services, they should notify GARANT upon reservation or make their own skipper arrangements.

7. Boat insurance

All yachts shall be properly covered with liability insurance and comprehensive coverage for charter businesses. The boat's insurance shall cover damage inflicted to and by a third party (obligatory insurance). The boat shall also have hull insurance to the amount of the reported boat value for the risks stated in the insurance policy. The hull insurance shall cover damage that exceeds the amount of the deposit but not intentional damage or damage caused by gross negligence.

GARANT shall not be responsible for loss of and/or damage to the client's and crew's possessions, or third parties' possessions which are kept on the boat, in an official GARANT vehicle or in the GARANT office. By making the advance payment and accepting the general charter conditions, the client shall renounce any right to compensation from GARANT in connection with any loss of and/or damage to personal possessions.

All damage and/or losses must be reported to GARANT immediately after their occurrence. In the case of serious damage or accidents in which more than one vessel is involved, the incident must be reported to the competent port authorities, who must provide the proper report documents, which subsequently need to be handed over to the insurance provider. If damage covered by the insurance policy is not reported in an orderly and timely manner to GARANT, the competent authorities and the insurance provider, even though all the necessary documentation exists, it will not be covered by the insurance provider. In this case, the client is fully responsible for the damage and shall be charged accordingly.

If the boat is damaged, the client is obliged to cover all costs according to the conditions of the hull insurance, but only up to the amount of the security deposit. The costs of damage caused by negligence and/or loss of one or more parts of the equipment shall be fully covered by the client.

The client's liability shall be limited to the amount of the security deposit – unless the cause of the damage is gross negligence or intention, drugs or alcohol.

The sails are not insured, and the cost of any eventual damage to them shall be covered by the client. The client's responsibility is excluded only when damage to the sails is caused by normal wear or by breakage of the mast.

Engine damage caused by insufficient oil is not covered by the insurance and shall be covered by the client in full, as well as any damage resulting from engine damage.

8. Insurance against insolvency or the bankruptcy of GARANT d.o.o.

In accordance with the Tourist Activities Act (NN 8/96), in the event of the insolvency or bankruptcy of GARANT, a client experiencing any possible difficulties while chartering a boat, as well as persons who have paid down payments for a charter, should contact the provider stated on the travel certificate or on any other corresponding document as soon as possible.

9. Damage and defects during the charter

All damage and defects that have occurred on the boat during chartering, and which are not a result of natural wear, shall be paid by the client. Before making any repairs or purchases, the client shall be obliged to contact GARANT and agree on the technical compensation for the repairs and the manner of payment.

All damage and defects that occur on the boat during the client's chartering, and which are a result of natural wear, shall be covered by GARANT. Before making any repairs, the client shall be obliged to make an agreement with GARANT about the technical and financial compensation for the repairs. The client shall cover the bill in this case, on the spot if necessary, and be obliged to keep the invoice so that GARANT can refund the payment in full upon check-out.

The client is obliged to notify GARANT of any breakages and damage immediately after they occur and no matter what the cause. GARANT shall instruct the client on the proper course of action. Unauthorised repairs and equipment replacement shall be paid for in full by the client.

10. Complaints

Every client has the right to make a complaint if they consider GARANT's service to be incomplete and/or not performed in a qualitative manner. The client may demand a proportional reimbursement but only if a written complaint is lodged upon check-out and all necessary documentation has been provided. A written complaint must be signed by both parties – by the client and a GARANT representative. Subsequently received or incompletely documented complaints shall not be taken into consideration by GARANT.

GARANT is obliged to provide a written solution to the received complaint within 14 days of receiving it. GARANT is allowed to postpone the deadline for an additional 14 days if it is necessary to gather information and check the claims in the complaint with the people involved.

The client shall renounce the right to arbitration by a third party, competent authority or law institution, or to release information to the media until GARANT has reached a solution to the complaint. If the client acts contrary to this regulation, they shall lose the right to compensation because of violation of the general conditions. In this case, GARANT shall have the right to ask the client for compensation for eventual damage caused by such an action.

The highest amount of compensation may be equal to the amount of the part of the service which was the object of the complaint. The client shall have no right to compensation for services that have already been used or for the whole amount of the charter price. This shall also exclude any rights to compensation for non-material damage.

11. Jurisdiction

If the client is not satisfied with GARANT's solution and is unable to reach a reasonable agreement with GARANT, they shall have the right to court arbitration. Such cases and other disputes between clients and GARANT shall be heard by the competent court in Rijeka, and Croatian law shall be applied.

Any changes or additions to these general conditions shall only be valid in written form and with the agreement of both parties.

Date/signature:

Date/signature: _____

GARANT d.o.o.