

GENERAL CHARTER CONDITIONS

GENERAL TERMS AND CONDITIONS

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1. Contractual Partner

Contractual partners are the Garant d.o.o., Skokov prilaz 6, 10000 Zagreb VAT: HR95561220671, as Yacht Charter Operator (hereinafter YCO) and the Charterer – as mentioned in the Charter Contract. The Yacht Charter Operator (organizer) is the Owner of the craft chartered by the Charterer or a person authorized by the latter. Agency acts as an intermediary in this contract.

2. Acceptance of the Contract and its Conditions

a) The Agency is authorized to set up Charter Contract as representative of the Yacht Charter Operator and duly sign it.

b) The Charterer confirms that he/she has read the Contract and that he/she understood the nautical terminology used therein. Moreover, the Charterer agrees with the General Charter Conditions of the Contract including the special characteristics of chartering a craft and with this type of sportive activity.

3. Charter Fee

The charter fee encompasses the use of the craft and its inventory. Charter prices are given in Euros in the current Price List (charter price includes VAT in the amount of 13%). Extras and incidental expenses will be calculated separately and will not be taken into consideration in case of possible refunding of charter costs. The following items are not included in the charter fee: Port charges, fuel, Transit log fees (final cleaning, bed linen, gas), water, and all expenditures for measures that are required for the proper operation of the craft during the trip. Obvious mistakes in calculating the charter fee or inadequacies

referring to some of the terms in the Contract do not justify exiting from the Contract; rather, corrections may be duly undertaken, based on the current list of fees and the current contractual conditions of the YCO. Irregularities in equipment or gear (non-correspondence with inventory or equipment lists supplied to Charterer) do not authorize the Charterer to make any deductions – provided safety and operation of the craft as such and functioning equipment are guaranteed.

To confirm the charter reservation, Charterer makes an advance payment in the amount of 50% of the charter fee. The remaining amount up to the complete value of the charter fee is paid at the latest 4 weeks before the embarkation.

4. Journey to Location of Craft Check-in

The journey to the location is not part of the Contract. If the start of the journey is delayed because the Charterer or a member of the crew arrives late, there shall be no refunding of costs. Charterers and crew are aware of the fact that they are leasing an “instrument” to exercise boating and that the terms agreed on differ from laws and regulations governing the tourist sector.

5. Charterer’s Exiting from the Contract

a) The period of validity of the Contract can only be changed in agreement with the YCO and according to the existing possibilities. Request for changing charter characteristics or for cancellation of the charter has to be done in writing (e-mail, or post) by Charterer.

b) If the Charterer cancels the reservation in writing, YCO reserves the right to apply the following cancellation charges:

- In the event of a cancellation made up to 45 days before the start date of the charter period YCO charges 50% of the Charter Fee.
- In the event of a cancellation made within 45 days before the start of the charter period YCO charges 100% of the Charter Fee. After this deadline, the full amount has to be paid.
- In the event of a cancellation made after check-in YCO retains 100% of the Charter Fee and charges to the Charterer all expenses incurred as a result of the cancellation.

c) It is recommended to the Charterer to take up special insurance in case of cancellation.

d) If the Charterer can find a new rental client for the same period of the charter and under the same terms and conditions, YCO reserves the right to charge 10% of the charter fee for any administrative and manipulative costs that are incurred by the change. The remaining sum will be refunded to the Charterer by the YCO.

e) If the Charterer has to cancel the reservation due to objective reasons (death in the family or serious illness), YCO is not liable to return the paid amount, but if the Charterer rents the vessel in the same period YCO will organize charter on another adequate vessel for the next appropriate date or the next season, i.e. YCO will issue a credit note that can be used in the agreed period.

The credit note is calculated taking into account the difference between the canceled reservation and the reservation later confirmed for the same vessel and in the same period. YCO charges the calculation cost of the credit note in the already paid amount. YCO is not liable for damages in the event of reservation changes or cancellation due to situations such as war, riots, strikes, terrorist activity, exceptional sanitary conditions, natural disasters, interventions of local authorities, etc.).

f) Defects, incorrect recordings of instruments or other problems with gear or equipment do not entitle the Charterer to either refuse check-in, stop the trip or raise financial claims – provided correct navigation is possible by applying classical navigation methods, such as position fixing by bearing, dead-reckoning navigation, etc. and if the safety of ship and crew is guaranteed by good seamanship.

6. Check-in and Check-out of the Craft

a) The YCO is obliged to provide the Charterer with a technically adequate, completely equipped boat

with a full fuel and water tank, clean and tidy, ready for sailing, after 05.00 PM first day of the charter. Before the takeover, the Charterer is obliged to provide the YCO base with a verified voucher, which indicates that the total charter amount has been properly paid.

b) All of the boats in the fleet of YCO are equipped with a tracking device for safety reasons. The tracking device registers position, speed, battery consumption, and eventually crash alerts. The YCO is obliged to properly inform the Charterer about the tracking device, and Charterer accepts the tracking device as a part of the equipment on the boat.

c) The YCO is obliged to properly instruct the Charterer or the person nominated by him (Skipper) about all technical details concerning gear and equipment, using a check or inventory list. The trial trip may also be affected. By signing the check/inventory list the Charterer/Skipper confirms that he has taken over the craft in good condition, clean, with full tanks (fuel, water) and fully functioning gear and equipment. Possible defects, damages, or missing parts of gear and/or equipment must be laid down in writing.

d) The Charterer may refuse check-in if safety standards do not comply with national rules and regulations or if hull, bonding deck to hull, rig, sail, or steering gear are damaged to such an extent that the safety of both boat and crew can no longer be guaranteed. In this case item, 7b comes to bear.

e) The YCO may refuse to hand over the craft if the fee has not been fully paid, the deposit has not been made, necessary documents are missing or insufficient (no license or a license not valid for the chartered craft, etc.) during the process of check-in or during a trial trip it turns out that the Skipper does not have the required qualification for this job.

f) In the latter case or if there are licensing problems, the journey may be started with another Skipper, expenses paid by the Charterer.

7. Delayed Check-in Procedure

a) If the YCO can not supply the craft or an appropriate replacement (meaning a type similar in dimensions, gear, and equipment) and the delay exceeds $\frac{1}{4}$ of the total charter time or a maximum of three (3) days, the Charterer has the right to withdraw from the Contract. In this case, payments already made will be refunded to the Charterer. No further claims may be raised.

b) If it is a fact before the start of the trip that neither craft nor replacement will be available on the agreed date, the YCO shall be obliged to inform the Charterer as soon as the former knows the facts. In this case, both parties may withdraw from the Contract before the assumed start of the trip. Payments made by the Charterer will be refunded as above. No further claims may be raised.

c) If check-in time is delayed by the YCO, and YCO is responsible for it, the Charterer will get a pro-rata refund from the YCO.

- if a replacement and/or actual check-in has not occurred until noon the next day at the latest
- if the check-in of the craft had originally been agreed to take place during the first part of the day but in reality was delayed for more than 12 hours

8. Insurance and Deposit

The chartered yacht is casco/comprehensive insured against third-party damage, fire, lightning, explosion, theft or robbery, or damage caused by natural disasters, marine and collision risks, and against any loss or damage except equipment expressed in this contract.

The Charterer is obliged to pay a security deposit to YCO upon the date of check-in to cover any damage or loss that can occur during the charter, not covered by the vessel's insurance. The deposit is payable in cash or by credit card via POS machine.

The Charterer can insure the deposit with YCO, but the deposit has to be paid anyway. Deposit insurance is not a substitute for a deposit.

The deposit is obligatory even in cases when a boat is rented with a skipper provided by YCO.

The financial liability of the Charterer for loss or damage caused by the Charterer or a crew member is

limited by the agreed deposit. Exceptions are mentioned in this contract.

- a) The insurance covers accidents of crew members.
 - b) The insurance does not cover losses or damage to crew members' personal belongings. We recommend taking up special insurance for this purpose.
 - c) If the insurance comes to bear in case of damage, terms state that the damage had not been caused deliberately or by gross negligence or that the Charterer/Skipper did not set a behavior, which releases the insurer to fulfill its contractual obligation.
- It is expressly stipulated that in case of gross negligence or deliberate act the liability of the Charterer is not limited by the deposit. The Charterer may be forced to pay the full sum of the damage.

9. Use of the Craft, Obligations, Damages

- a) The Charterer/Skipper agrees to navigate the craft with special consideration of good seamanship and careful observation of all legal regulations and provisions as applicable in all the countries visited.
 - b) The Charterer or the Skipper nominated by the Charterer is committed to:
 - provide YCO with a crew list containing full names, addresses, birth dates and birth places, nationality, type and number of a valid identification document, and the skipper's boat leader license number, not later than 1 week before the beginning of the charter.
- The costs of eventual loss or theft of the documents are covered by the client himself
- not to accept more than the maximum number of persons permitted on board and to inform the YCO and the relevant authorities about any changes in the crew
 - not to allow the craft to be used for transporting passengers nor for commercial fishing nor any other gainful activity
 - not to take part in races without the express agreement of the YCO and not to re-charter the craft
 - not to use the craft for towing other crafts or to be towed or rescued by other crafts except in cases of emergency; should such an emergency arise, orders have to come from the YCO (or a person authorized by YCO). Should this not be possible, the Skipper has to establish contact with the Skipper of the other vessel and come to an agreement about the costs of towing or other rescue operations before help is accepted.
 - not to rent or lend the boat to a third party.
 - assume full responsibility in case of confiscation of the boat by competent authorities, due to irresponsible or illegal actions of the crew (commercial fishing, etc.)
- to navigate within the borders of the territorial waters of the Republic of Croatia. Leaving Croatian territorial waters is only allowed upon previous written consent from YCO
- to write a logbook in which the following items have to be recorded in chronological order: course, maneuvers, logs, proper handling of sails/engine, positions, checks, maintenance and repairs, important events or observations (accidents)
 - not to let the engine run if the ship sails in a sloping position and to use the engine only as long as it is necessary; sails should be adapted to the rig and the existing wind forces
 - not leave the harbor or anchorage in case the boat or one of its vital parts is damaged and/or unsafe for sailing.
 - not leave the harbor if port authorities have issued a prohibition of sailing or in case of insufficient fuel supplies.
 - to leave a protected harbor only if the principles of good seamanship allow this
 - to leave unsafe anchorage places or moorings if the weather forecast, the existing weather conditions for the foreseeable development make it necessary
 - to take care that while the craft is anchored or moored danger to the craft has to be recognizable at all times, thus allowing measures to be taken to avoid danger
 - check the oil and cooling water liquid level in the engine every day. Damages and losses caused by an insufficient oil or cooling water level in the engine are taken into account as a consequence of gross negligence of the Charterer (item 8c).

c) If there is damage on the craft due to material wear, the Charterer/Skipper has to arrange for a replacement of the parts or repair as instructed by the YCO or his deputy. If neither can be reached, Charterer or Skipper is authorized to organize repair or replacement – provided the amount does not exceed 100 Euros. This sum will be refunded at the end of the journey after submitting the bill except if the damage is due to incorrect operation of the craft, or faulty or negligent handling by the Charterer/Skipper or the crew. Parts that had to be exchanged are not to be disposed of. If the craft has to stay in port because of repairs, the Charterer is not entitled to raise any claims if the delay does not exceed ¼ of the entire charter period. Otherwise, the Charterer has to be reimbursed on a pro-rata basis. There are no further claims to be raised.

d) In case of major sea damage or accident, possible delay, or loss of maneuverability of the craft, the YCO has to be informed at once. The Charterer/Skipper has to undertake everything in his power to reduce the effects as well as to avoid consequential damage (for instance breakdown, etc.). In concerted agreement with the YCO, the Charterer/Skipper has to organize the necessary repair work, document all the facts, monitor the repair work, and negotiate price and payment. Moreover, the Charterer/Skipper is obliged to keep a record of the details of the damage and – provided there are claims of third parties – to have all the data confirmed by the relevant authorities. The Charterer/Skipper may be obliged to pay for the entire costs if the aforementioned conditions are not properly adhered to. The Charterer/Skipper is fully liable for all direct and consequential costs such as confiscation of the craft if it is within the scope of responsibility of the Charterer/Skipper or members of the crew.

e) If there is a reason to assume that the craft is damaged in the part underwater, the craft has to be navigated to the nearest port where the services of a diver must be engaged, the supply of a crane organized, or a slip up arranged. The costs have to be covered by the Charterer.

f) Theft of the craft or part of the gear or equipment has to be reported to the nearest police precinct

g) Animals may be taken aboard only with the express permission of the YC

10. Check-out

a) The Charterer is obliged to return the boat to the agreed place, at the agreed time, the day before the last day of the charter, with a full fuel tank, ready for next navigation; that is, in the same condition as it was taken over. The Check-out will be then performed till 09.00 AM, at the latest, the last day of the charter. Before the Check-out, the Charterer is obliged to take garbage and waste off the boat and leave it at the designated place in the marina, and to take their luggage off the boat.

b) The Charterer has to return to the port at the time stipulated in the Contract or to inform the YCO in writing about any change. The agreed schedule also has to take the inclemencies of the weather or other adverse circumstances into consideration. If the Charterer is unable to return the craft himself, he has to inform the YCO and make arrangements to have the craft returned by another person at the Charterer's cost and risk. Until the Check-out the Charterer has to leave a qualified person on board. If the Charterer does not comply with this provision, he has to satisfy all financial claims resulting from this negligence and breach of the Contract. The financial obligation is not limited to the agreed deposit. The Charter Contract has not been fulfilled entirely until the craft is returned in the condition as stipulated in the Contract.

c) In the event of lateness, the Charterer vouchers to pay a fine in the amount of 2% of the charter price for each hour exceeded. For lateness over 12 hours, it will be counted as one day of delay (item 10d).

d) Any day of delay in returning the craft will ensure compensation payment amounting to double the daily Charter fee. The calculation is based on the items contained in the current price list of the YCO. (Discounts granted or other special conditions such as early booking or a bonus for a "regular" Charterer cannot be taken into consideration when calculating the fine due for late return).

e) The Charterer has to return the craft to the YCO at the date and hour agreed on at the latest. Until this point in time, the entire crew has to have left the craft including baggage. Time for cleaning and Check-out including inspection by the YCO or his deputy is part of the agreed schedule laid down in the

Contract.

f) At the Check-out any part of the equipment or gear lost or damaged has to be recorded in detail and paid for. The amount may be deducted from the deposit. The YCO also has to be informed about groundings and possible defects.

g) If the craft and equipment are in good condition, clean, complete, and with a full fuel tank, the deposit will be returned to the Charterer.

h) If repairs are necessary, the Charterer has to contact the YCO and agree on an earlier return of the craft so that work can be done in good time for the next charter to start. If the damage is within the YCO's responsibility, fees covering the loss will be reimbursed to the Charterer. Any additional claims by the Charterer (cost of overnight stays, etc.) are excluded (see also item 8). If the damage is caused by the Charterer, no compensation for lost time during the trip will be disbursed.

i) If the Charterer insured the deposit with YCO, and the damage is a case for the insurance company, the return of the deposit or parts thereof will be delayed until payment from the insurance has arrived. The deposit will be handed back to the Charterer after deducting the retainer and all costs incurred by repairing the damage which is not covered by the insurance. The deposit may also be withheld if the repair costs or other expenditures to be paid from the deposit cannot be calculated exactly at the time of the craft check-out.

j) Any claims for the damages raised by the Charterer against the YCO must be put down in writing immediately after check-out of the craft and must contain pertinent explanations. Claims raised later cannot be considered.

11. Restrictions Ordered by the YCO

The YCO reserves the right to limit the range of the craft either based on the vessel's category or if conditions for navigation are unsafe or otherwise unusual. A ban on navigating the craft at night may also be pronounced by the YCO. The responsibility for ignoring such restrictions is exclusive to the Charterer/Skipper.

12. Complaints

The Charterer has the right to a complaint only if a written complaint is lodged upon Check-out, and all necessary documentation is provided. A written complaint must be signed by both parties – by the client and a YCO representative. Subsequently received or incompletely documented complaints will not be taken into consideration by YCO.

YCO is obliged to provide a written solution to the received complaint within 14 days after receiving it.

YCO is allowed to postpone the time limit for an additional 14 days if gathering information and checking the complaint claims with the people involved is necessary.

The client renounces the right to arbitration by a third party, competent authority, or law institution, or releasing information to the media until YCO has solved the complaint. Provided that the client acts contrary to this regulation, he loses the right to compensation, because of a violation of the procedure. In this case, YCO has the right to ask the client for compensation for eventual damages caused by such an action.

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

13. Liability and Place of Jurisdiction

All disputes between the Charterer and YCO have to be settled directly between these two. If arbitration or court proceedings are required, the place of jurisdiction is at the location of the YCO Head Office. For any disputes between the Charterer and the YCO, Croatian Law shall apply.

If parts of the Contract are null and void or invalid, the other parts retain their validity. The signers

reserve the right to correct mistakes, misprints, or errors in calculating.

Any agreements not contained in the Contract, oral promises, or changes have to be confirmed in writing.

By signing the document, the Charterer affirms that he/she has read the General Terms and Conditions and agrees to the content.