

GENERAL CHARTER CONDITIONS Croatia

§1 Suspensive Condition

(1) Validity of this contract is subject, by way of a suspensive condition, to the payment by the charterer of the amount for reservation stipulated in the general conditions below, and reservations are not therefore effective until said payment has been made.

§2 Rental fee and security deposit

(1) The rental fee includes the price components shown in the charter contract. The reservation payment is a 50% of the total rental fee and has to be paid at latest two weeks after the reservation. The rest of the amount due for the lease must be paid before 30 days prior to embarkation.

(2) Only cash, an authorised cashier's cheque or a bank transfer will be accepted for the payments described in the general and specific terms of this contract.

(3) On the day of embarkation the charterer will pay the lessor the deposit indicated in the specific conditions, and it will be used as a warrant against cancellations, repairs, breakages, damage, theft, delays in returning the vessel, differences in the inventory and equipment, compensation, improper use, negligence and penalisation of any kind agreed upon in this contract or which may arise as a consequence of fulfilment of said contract. All of which does not affect any legitimate legal action to claim amounts which may exceed that of the deposit.

(4) When the vessel has been return within the agreed time, the approval checkout has been carried out and the charterer has complied with any requirements which may have arisen as a result of the agreement within this contract, the deposit will be returned within fifteen days to be counted from the date of embarkation. In the event of the existence of discrepancies between the parties on the return conditions of the vessel and the goods on the inventory, the deposit will be returned on termination of the dispute.

§3 Insurance

(1) The vessel which is the object of this contract is covered by an insurance policy, a copy of which is attached, and the charterer declares he or she is familiar with its contents and extent of cover, and undertakes to take whatever measures are necessary to act in accordance with the obligations described in it, and will be the sole responsible party for any consequences deriving from failure to comply with said obligations, if applicable.

§4 Cancellations and notices of termination

(1) Should the charterer not be able to take up and start the charter, he has to inform immediately the lessor there from. All payments done until the moment of cancellation will not be refunded. The lessor will try hard to get a substitute charter. Should a substitute charter not be reached, then the lessor has right to the full rental fee. It is urgently recommended to take an insurance for travel-withdrawal costs.

(2) The lessor may rescind the charter contract because of an important reason without meeting a deadline or keeping a notice term. This will apply when the charterer behaves in a way so contrary to the contract that an immediate rescission of the contract is justified. In case that the lessor terminates the contract, this one retains his right to the full rental fee. However, the value of any saved expenses and likewise any benefits resulting from an usage of the yacht otherwise made, have to be deducted there from.

§5 Modifications of the services

(1) Should the yacht not be able to be handed over for taking delivery at the time fixed in the charter contract, the lessor may deliver a substitute yacht with the same value.

(2) In case that the lessor is not able to provide and supply a substitute yacht at the delivery date, the charterer may declare the contract rescission. In that case the lessor is compelled to fully giving back the rental fee.

(3) The charterer may request a price reduction of the charter rental fee whenever the yacht has been belatedly delivered or else is flawed with such defects which in an essential extent have influenced the fitness of the yacht to be used. Any claims for a fee reduction have to be requested in written at the delivery of the yacht.

§6 Conditions of Use

(1) The charterer will be held responsible for all actions by persons indicated in the list of passengers, which may in no case exceed the maximum capacity of the vessel.

(2) It is specifically forbidden to use the vessel to transport merchandise, passengers other than those indicated in the previous point, for the embarkation of arms, animals, drugs or any toxic or dangerous substance. The charterer undertakes to use the vessel exclusively as a tourist or leisure charter and may therefore in no case use it for commercial operations, professional fishing, transport, sporting competitions, and any other activities incompatible with the destined use of the boat.

(3) The charterer, as the sole person responsible for the vessel during the lease period, will use it responsibly, respecting the regulations of the relevant authorities, and he or she is solely and exclusively liable for any consequences arising from failure to comply with said regulations. Improper use of or negligence concerning the boat, infringing current legislation on the part of the charterer, will be sufficient reason for the instantaneous cancellation of the contract. In the case of an infringement of customs regulations or those of any other authority by the charterer, the latter will be held responsible for all fines, sanctions and liabilities which may arise, as well as for any consequences. The charterer commits himself to comply with the instructions for use regarding the equipment situated on board. The oil level, coolant and the bilges have to be daily controlled. The charterer will be responsible for any damages which have resulted from a disregard and non-compliance with the maintenance and servicing rules.

(4) The charterer commits himself to treat the hired yacht as if it was his/her own property according to the rules of a good seaman.

(5) The charterer will not either pass on nor rent the yacht to any third person.

(6) The charterer will comply with the established notifications or registrations and cancellations by the harbour master's office.

(7) The lessor has be advised at once in the event of averages, foreseen delay, loss, unsuitability for manoeuvrability, confiscation / seizure or hindrance of the yacht by any authorities or outside agents or observer. Should the seizure or hindrance be due to any fault by the charterer, he will be responsible before the lessor for all the consequences there from. The contract is considered as extended up to the yacht return under the obligation of fee payments by the charterer. However, the right to indemnification for damages remains unaffected there for.

(8) Any extraordinary events must be registered on the logbook.

(9) The lessor accepts no responsibility for damage to or loss of the personal effects of the passengers which may occur during the lease period.

§7 Handing over and returning

(1) The lessor commits himself to extensively instruct the pilot when handing over the yacht together with a simultaneous control of all the technical functions and checking the existence of all the equipment objects. The charterer may just refuse to take the yacht only when the seaworthiness is

limited to a considerable extent. If the check is carried out within the period foreseen as duration of this contract this does not imply an extension of the contract period by the time the check lasts.

(2) The vessel must be returned within the time and in the place determined in the specific conditions of this contract. When the vessel is returned the checkout will be carried out by both parties, and at the end of the checkout the corresponding document will be issued in agreement and as proof.

(3) Without the permit by the lessor is not possible any extension of the agreed charter time. The charterer has to keep the yacht within a sufficient proximity to the returning port before the end of the contract. For that purpose he may not appeal to any weather-caused conditions in case of default to returning the ship back on due time.

(4) In the event of the charterer failing to return the vessel at the time and in the place agreed, he or she must pay an amount consisting of triple the daily leasehold price to the lessor for each day of delay in respect of damages.

(5) After 24 hours from the time foreseen for return of the vessel, if this has not taken place, and if there has been no news of the charterer, crew or vessel, the lessor will initiate a search communicating with the relevant maritime authorities. All the expenses arising from this will be met by the charterer.

(6) The vessel must be returned in identical conditions with regards to functioning, equipment and inventory, to those at the start of the hire period. If after the checkout any deterioration or breakages in the equipment or functioning of the vessel, or losses of articles in the inventory and equipment were detected, the price of the repairs and replacements will be paid for by the charterer. Said amount will be determined, in the case of articles, based on the values calculated by the lessor in his or her accountancy, which will be shown to this end to the charterer, and in the case of repairs using an estimate by a specialist firm. All damages arising from deterioration or losses will be paid for by the charterer in the event of their not being covered by the vessel's insurance policy.

(7) Should the yacht be returned back to any other port different from the agreed port, then the lessor must be opportunely notified. The charterer is obliged to a proper supervision until he returns the ship back. The yacht is only considered to have been duly returned back, when it has been received either by the lessor or by a new crew in presence of the owner or else by a person duly appointed thereto by him.

§8 Qualifications

(1) In the event of the lease being arranged without a crew, the charterer must send a copy of the qualifications or permit and of the identity card or passport of the person who will carry out the functions of skipper of the vessel one month before the date foreseen for delivery of the vessel, for the purpose of obtaining recognition of the qualifications from the corresponding authorities. If the documents presented do not constitute authorisation for the running of the vessel or do not prove sufficient, necessary technical competence, the contract will automatically be cancelled and the quantities paid hitherto will be kept as damages by the lessor.

§9 Navigation Zone

(1) The navigation zone will be that stipulated in the specific conditions of this contract and only be trespassed with the permit of the lessor. It will also be limited in accordance with the powers granted by the qualifications of the skipper presented. Failure to fulfil said obligation will imply the automatic cancellation of the contract with the loss of the quantities paid to this end, independently of the payment of expenses and responsibilities which may derive from said improper use.

§10 Expenses

(1) All the consumed materials have to be refilled by the charterer. The yacht is taken with full tanks (fuel, water) and has to be given back with full tanks.

(2) All the additional expenses for victualling, fuel, lubricants, gas, ice, berths in ports and marinas, and in general the costs of materials and maintenance of the boat during the hire period, will be met exclusively by the charterer, and are not included in the price of hire. Also payable by the charterer are the costs of use of the berth in the lessor's jetty, with the exception of the first and last day of the lease period.

§11 Breakdowns, Accidents and Theft

(1) If due to a breakdown during the lease period or for other reasons not attributable to the charterer, it were not possible to continue in the rented vessel, the lessor will refund the proportional amount corresponding to the days when use of the vessel was not possible, or provide a vessel with similar characteristics, if possible, of the charterer's choice. This circumstance will in no case give the charterer the right to extend the hire period.

(2) The charterer undertakes to inform the lessor immediately of any accident and to transmit any letters, summonses or notifications referring to said accident to the lessor, and to collaborate fully with the lessor and the Insurance Company during the investigation and defence of any claim or trial.

(3) The charterer will not order any repairs to be made without first having informed the lessor, who must give his or her permission. Damage repairs with a normal material use up to 250,- with documentation of costs (invoice / receipt) for a later settlement and clearing will be paid by the lessor. Changed pieces must be kept in every case. In the event of damages to the yacht or people, the charterer will draw up a written report and will look for a counter-confirmation by the Harbour Master, a Doctor, Commissary for averages, etc.

(4) A breakdown caused as a consequence of negligence, incompetence or improper use of the vessel by the charterer will be paid in full by the latter and the lessor will reserve the right to claim for any damages the breakdown may cause. In this case the stipulations foreseen in the first paragraph of this condition will not be applicable.

(5) In the event of theft of the vessel, the charterer undertakes to make the corresponding report to the relevant authorities, and give the paperwork to the lessor.

§12 Complaints

(1) Any complaint the charterer may wish to make must be made in writing at the time of return of the vessel at the end of the contract. If it is impossible to do so in writing at that time, he or she will communicate it verbally and will have a period of fifteen days to send in the complaint in writing.

§13 Collateral agreements

(1) Any oral commitments or collateral agreements will be only valid after written confirmation by the lessor. Any information is given to the best of the knowledge and belief but without warranty. With the proviso that it is reserved the right to amend any mistakes, misprints or miscalculations.

§14 Final provisions

(1) Should any provisions in this contract be inefficient, the agreement validity will not otherwise be affected in everything else stated therein. In that case there will apply as valid what corresponds to the meaning of anything agreed therein.