



CHARTER AGREEMENT - CONDITIONS

- 1. VALIDITY:** The Agreement becomes valid only when the total Charter Fee is paid to the Owner/Agent. If the total Charter Fee is not paid till the day stipulated by the Agreement, the Agreement is not valid and the Owner/Agent retains the amount already paid by the Charterer.
- 2. A SECURITY DEPOSIT** of 1000/1500/2000 EUR (cash or credit cards: American Express, Diners, Visa, Eurocard/Mastercard) has to be paid from the Charterer on acceptance of the vessel. This Deposit will be fully refunded when the vessel is returned in a good, clean, tidy condition and in the appointed time and place. In the case of lost or damaged equipment, items or parts of the vessel, the Owner/Agent will retain a sum corresponding to the cost of repair, acquisition and/or purchase of equipment, items or parts of the vessel. The Charterer has to check out the motor oil daily, because damages resulting from lack of motor-oil are not insured. For each calendar day that the charterer is late in returning the vessel, he agrees to pay additional charges equivalent to three times the daily rental to the Owner/Agent in order to offset loss on the part of the Owner/Agent as a result of the unavailability of the vessel. Delay charges can only be waived under circumstances resulting from force majeure of which the Owner/Agent must be notified immediately.
- 3. RENT CHARGES** include the use of the vessel and half quantity of consumed fuel.
Final cleaning is obligatory and payable at check-in. The Owner/Agent bears the costs of the berth only in base marina in Split. The costs of berths in other marinas pay the Charterer. The Charterer will return the vessel at the end of the Charter Period in a clean and tidy condition and with a motor in perfect working order.
- 4. RUNNING EXPENSES:** The Charterer will pay all running expenses for port dues, oil and other consumer goods during the Charter Period after taking over the vessel, as well as for the repair of any damage or breakdown that may occur while the vessel is in the Charterer's care and which are not a result of normal wear and tear, provided that the Charterer has previously obtained the consent of the Owner/Agent to the technical suitability of the repair to be made. In the case of repairs to damage or failure clearly resulting from normal wear and tear, the Charterer has to obtain previously the Owner/Agents consent with regard to the cost and technical suitability of these repairs. The Charterer shall collect the relevant receipts against which shall be refunded by the Owner/Agent at the end of the Charter Period. No other compensation claims will be recognised.
- 5. OBLIGATIONS FOR THE CHARTERER:** For acts of negligence by the Charterer for which the Owner/Agent is responsible to a third party, the Charterer will pay all expenses for the material and/or legal costs resulting from such acts or negligence to the Owner/Agent. The Charterer is responsible for the vessel in the case of being impounded by any official body because of improper or illegal action during the Charter Period.
- 6. WITHDRAWAL FROM THE AGREEMENT:** If for any reason the Charterer is unable to take over the vessel, he/she may find another person who will enter the Agreement with all rights and obligations fixed in this Agreement. If no replacement can be found, the Owner/Agent retains:
 - 40% of the Charter Fee in the case of cancellation till 1 month prior the beginning of the Charter Period
 - 100% of the Charter Fee in the case of cancellation less than 1 month prior the beginning of the Charter Period
- 7. DELIVERY/REDELIVERY:** Check-in is at 5 pm and check-out finished till 9 am. For late return, the owner reserves the right to charge up to EUR 300,00 (depending on the condition of the yacht and the time of return) from the deposit. The Charterer will return the vessel at the end of the Charter Period in a clean and tidy condition. The Owner will use his best endeavours to hand over the vessel to the Charterer at the start of the Charter Period in full commission, fully bunkered, in good condition with all items specified in the inventory and tools and equipment necessary for minor foreseeable repairs. The Owner will use his best endeavours to deliver the vessel to the Charterer at the agreed time and place. If for any reason the vessel shall not be delivered, the charterer may claim a refund from the

Owner/Agent for each day on which the vessel was not at his/her disposal. If the Owner/Agent is unable to deliver the vessel at the agreed upon place 24 hours after the deadline or make available a similar or better quality vessel, the Charterer may withdraw from the Agreement or claim a refund for as many daily rental charges as the vessel was unavailable. No other claims for compensation will be recognized. The Charterer is obliged to inspect the condition of the vessel and items of equipment as per the checklist. All objections must be made prior to initial sailing. Any shortages, defects in vessel or equipment unnoticed at the time of transfer from Owner/Agent or Charterer may not subsequently be reclaimed from the cost of rental.

- 8. INSURANCE:** The insurance is determined by the conditions stipulated by the insurance company the owner/agent insured the vessel. Damages covered by the Insurance which are not immediately reported to the insurance company, will not be acknowledged as per the insurance policy. In this case the Charterer is personally responsible for all damages as a result of not reporting the damages. Sails are not insured and the Charterer is thus responsible for any damage except that arising from normal usage or as a result of breakage of the mast. We recommend that the Charterer insure all personal possessions and the crew of the vessel.
- 9. GENERAL REGULATIONS:** The Charterer undertakes and recognizes only to sail within the bonds of Croatian territorial waters (a written permit must be issued for any exception). The Charterer shall not lend or sub-charter the vessel; he/she will not take part in any regatta or boat race, will not use the vessel for any commercial purposes, professional fishing, sailing school, etc. and will sail only under safe weather conditions and good visibility. The Charterer also undertakes to respect custom and other rules and regulations; that he will not charge for transferring merchandise or persons, that he will not navigate in restricted areas; that he will keep the log book up to date and in good order, and will leave it aboard the vessel. The Charterer will make good all loss of or damage to any stores, gear, equipment or furnishings of every kind belonging to the Yacht caused during the Charter Period which is not recoverable under the Insurance, as well as any loss or damage arising after the Charter Period but attributed to any act or default of the Charterer or any member of his party. In case of accident and/or other unforeseeable event, the charterer will duly record the course of such events and request a written certificate from a harbour master, physician or authorized official. He will not tow any dinghy. The Charterer will report by telephone, mobile phone or facsimile message to the Owner as soon as possible any event likely to give rise to a claim under the Insurance and any other accident, damage or failure of or to the vessel. In case of disappearance of the vessel, impossibility of navigation, its confiscation or the prohibition of further sailing by government officials or other persons, the charterer undertakes immediately to notify an authorized official and the owner/agent. In the case of failure on the part the charterer to adhere to all of above mentioned conditions, he will personally answer to the owner/agent and will undertake full responsibility for all consequences. Damage to the underwater part of the vessel must be followed by vessel inspection at the expense of the charterer. At no time during the Charter Period will the Charterer allow any animals on board the Yacht.
- 10. RESTRICTIONS ON NAVIGATION AND USE OF SAILS:** As weather conditions dictate, the Charterer is obliged to promptly reduce sails and not to sail under a big strain on rigging and sails, not to sail in any unknown area without assimilating carefully the charts of this area; not to sail at night without all navigation lights functioning or without high visibility.
- 11. RESTRICTIONS ON LEAVING PORT:** the Charterer shall not leave port or anchorage if the wind force is or is predisposed to be over seven (7) on the Beaufort Scale (30 knots) or if the harbour authorities have prohibited sailing; neither while the vessel has a damage to any of the parts such as engine, sails, rigging, bilge, anchoring gear, navigation lights, compass, safety equipment etc. or any of these parts are not in good working condition; neither shall the Charterer leave port or anchorage without sufficient reserves of fuel or in general, when weather conditions are not good or the vessel or her crew is not in good condition either.
- 12. NAVIGATION LICENCE AND VHF LICENCE:** The charterer undertakes to possess a valid navigation licence and VHF licence, or that a crew member with a valid permit or licence will navigate the vessel.
- 13. SAILING TEST:** The Owner/Agent (or his/her representative) may require of the person who will navigate the vessel to demonstrate his/her competence in handling and navigating the vessel safely by actually operating the vessel at sea with owner/agent (or his/her representative) aboard. Should the person fail to satisfy the owner/agent in this respect, the Owner/Agent may terminate this Agreement as stated above, or place a seaman acceptable to both the owner/agent and the charterer at the expense of the Charterer for as many days as the Owner/Agent considers to be necessary for safety of the vessel and her passengers. Any time required for this test of the charterer's competence seamanship will be part of the agreed Charter Period.

14. COMPLAINTS: Only complaints submitted in writing at the time of returning the vessel, and signed personally by the Owner's/Agent's representative and the Charterer, shall be taken in consideration.

15. ADDITIONAL AGREEMENTS must be in writing. In case of misunderstanding or dispute, an attempt to settle difficulties peacefully and by understanding will be made. If misunderstanding or disputes cannot be thus resolved, the matter shall be forwarded to arbitration court of Split.

If a particular article or item of this contract is nullified or debatable, this shall not affect the validity of the contract as a whole. In this case both parties may negotiate nullification or rework a debatable article/item of this contract, realizing the inapplicability or debatable nature of the article at issue. All amounts indicated in EURO have to be paid in EURO.