

## GENERAL TERMS AND CONDITIONS – Bareboat charter

### 1. Contractual Partners

These General Charter Terms for Bareboat Charter of the Lease Contract will be known as the **Contract** and the yacht as the **Vessel**.

Contractual partners are: **Adriatic Sailing Ltd / Jadranska Jedrenja d.o.o.** (hereinafter referred to as **Charter Company**), the chartering party (hereinafter referred to as the **Client**) and The Yacht Agency (hereinafter referred to as the **Agent**) acts as intermediary in this contract (if applicable). This Contract is valid under the following conditions:

### 2. Acceptance of the Contract and its Conditions

- a) The Agent is authorized to set up this Contract as representative of the Charter Company.
- b) The Client confirms with signing the Lease Contract (booking confirmation) that he has read and accepts the Contract and that he understood the nautical terminology used therein. Moreover, the Client agrees with the Contract including the special characteristics of chartering a vessel and with this type of sportive activity.

### 3. Charter Fee

The yacht charter fee encompasses the use of the vessel and its inventory. Additional expenses will be calculated separately and will not be taken into consideration in case of possible refunding of charter costs. Charter fee does not include: marina fees, fuel, comfort package fee, Croatian tourist tax, water, food, drinks and all expenditures for measures which are required for the proper operation of the vessel during the sailing. Obvious mistakes in calculating the charterer fee or inadequacies referring to some of the terms within the Lease 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 Charter Company. Irregularities in equipment or gear (non-correspondence with inventory or equipment lists supplied to Client) do not authorize the Client to make any deductions – provided safety and operation of the vessel as such and functioning equipment are guaranteed.

Payment terms:

- 50% - within 7 days from the booking confirmation
- 50% - 4 weeks prior to the charter start date

*The timeframe will be stated in delivered documents.*

### 4. Journey to Location of the Vessel's Check-in

The journey to the location is not part of the Contract. If the start of the journey is delayed because the Client or a member of his crew arrives late, there shall be no refunding of costs. Client and his 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. Client's Exiting from the Contract

- a) The period of validity of the Contract can only be changed in agreement with the Charter Company and according to the existing possibilities.
- b) If the Client is not able to embark the chartered Vessel on the due date for any possible reason other than due to Force Majeure, the Client can find another user of the contracted charter services/Contract until the agreed date. If the Client is not able to find another user of the contracted charter services, the following cancellation fees will be charged:
  - 10 % of the total amount for cancellation more than 91 days prior to original embarkation date
  - 30 % of the total amount for cancellation between 90 to 60 days before the original embarkation date
  - 50 % of the total amount for cancellation between 59 to 31 days before the original embarkation date
  - 100 % of the total amount for cancellation less than 30 days before the original embarkation date
- c) Defects, incorrect recordings of instruments or other problems with gear or equipment do not entitle the Client to either refuse check-in, stop the trip or raise financial claims – provided that correct navigation is possible by applying classical navigation methods, such as position fixing by bearing, dead-reckoning navigation etc. and if safety of the Vessel and passengers is guaranteed by good seamanship.

### 6. Force Majeure

- a) Charter Company shall not be liable for any loss, damages, expenses, delay or failure in performance hereunder resulting from any force majeure event, including but not limited to acts of God, war or terrorist activities (threatened or actual), civil unrest, natural or nuclear disaster, fire, floods, unavoidable technical problems with transport, closure or congestion of airports, unforeseen alterations to public schedules, action of the elements, epidemics, pandemics, insurrection, piracy, strikes, acts of the public enemy, federal or state laws,

industrial dispute and any other cause beyond the reasonable control of Charter Company which makes continuance of operations impossible.

- b) In the event of a delay or failure of performance based upon an event described above:
  - All payments made towards the Contract/charter shall be used as a credit for a future charter. No refunds will be provided.
  - Charter Company will work with Client to book a new charter on a same or different Vessel agreeable to the Client, at a new location, or on new dates, or both, based upon availability and the Client's preference. If the parties cannot book a new charter at that time, Client's deposit will remain as a credit by the Charter Company and will never expire.

#### **7. Check-in and Check-out of the Vessel**

- a) The Charter Company is obliged to properly instruct the Client or the person nominated by him (Skipper) about all technical details concerning gear and equipment, using a check-in or inventory-list. Trial trip may also be effected. By signing the Check-in list the Client/Skipper confirms that the Vessel was taken in good condition, clean, with full tank of fuel and water, and fully functioning gear and equipment. Any possible concealed defects or deficiencies of the boat, which could not have been expected by Charter Company shall not entitle the Client to claim for the reduction of the charter rate.
- b) 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 safety of both Vessel and crew can no longer be guaranteed.
- c) The Check in/out list becomes an integral part of this Contract and it will be signed by the Client and the Crew on the occasion of taking over and returning of the yacht (check list).
- d) The Charter company may refuse to hand over the vessel:
  - if the charter fee has not been fully paid
  - if obligatory security deposit has not been left or optional deposit insurance paid
  - required documents are missing or insufficient (no license or a license not valid for the chartered vessel, etc.)
  - during the process of check-in it turns out that the Skipper does not have required qualification AND/OR skills for bareboat charter

In the latter case or if there are problems with licenses or skills client should hire our professional skipper and cover the expenses for it.

- e) Official diver's inspection is standard and obligatory part of check out procedure. According to marina rules, underwater inspection can be done exclusively by official divers employed in marina. Their report is considered confirmation about proper conditions of the boat before handed over to Charterer.

#### **8. Delayed Check-in Procedure**

- a) In case of delayed Check-in procedure Charter company is obliged to fix the problem or to find an appropriate replacement (meaning the same or similar type of vessel; in dimensions, gear and equipment) within 24 hours. If the Charter company cannot hand over the vessel within 24 hours The Client has the right to withdraw from the Contract. In this case payments already made will be refunded to him. No further claims may be raised.
- b) If it is an established fact before the start of the trip that neither Vessel not replacement will be available on the agreed date, the Charter company shall be obliged to inform the Client 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 Client will be fully refunded. No further claims may be raised.

#### **9. Insurance and Deposit**

The Vessel is fully insured against third part damage, fire, 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 financial liability of the Client for loss or damage caused by him or his crew is limited with the agreed security deposit.

- a) 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 Client /Skipper did not set a behavior, which release the insurer to fulfill its contractual obligation.
- a) It is expressly stipulated that in case of gross negligence or deliberate act the liability of the Client, is not limited by the deposit. The Client may be forced to pay the full sum of the damage.

SECURITY DEPOSIT: before check in of the vessel, Client / Skipper is obliged to leave security deposit in cash or by credit card (VISA, MASTER, MAESTRO) in the local HRK currency. After the charter is finished, the security deposit will be returned in full, unless any damage on the Vessel, or damage or loss of any item of the vessel equipment has been found. Otherwise, the security deposit shall be kept in equivalent value of the repair / or purchase value of the damaged and/or lost equipment. For regatta, double deposit amount will be required.

NON REFUNDABLE DEPOSIT INSURANCE: upon request, it is possible to take optional non refundable deposit insurance according to our insurance price list. Deposit insurance is not possible for regattas.

#### **10. Use of the Vessel, Obligations, Damages**

- a) The Client/Skipper agrees to navigate the vessel with special consideration of good seamanship and careful observation of all legal regulations and provisions as applicable in all the countries visited
- b) The Client or the Skipper nominated by the Client are committed:

- not to accept more than the maximum number of persons permitted on board and to inform the Charter company and the relevant authorities about any changes regarding the crew aboard.
  - not to allow the Vessel to be used for transporting passengers nor for commercial fishing nor for any other gainful activity
  - not to re-charter the Vessel
  - not to take part in races without the official permission from the Charter company
  - not to use the Vessel for towing other vessels or to be towed or rescued by other vessels except in cases of emergency; should such an emergency arise, orders have to come from the Charter company (or a person authorized by the Charter company). Should this not be possible, the Client/Skipper has to establish contact with the skipper of the other vessel and come to an agreement about costs of towing or other rescue operations before help is accepted.
  - not to let the engine run if the Vessel 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 to the existing wind forces
  - 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 or the foreseeable development makes it necessary
  - to take care that while the Vessel is anchored or moored, danger to the Vessel has to be recognizable at all times, thus allowing measures to be taken to avoid danger
- c) If the vessel is booked as classic charter and subsequently is established that the vessel has participated in regatta Charter Company is entitled to charge the difference in price, according to the payment terms for regatta.
  - d) In case of failure of the Vessel or its equipment , the Client/Skipper has to inform Charter company immediately; call base manger or call one of the phone numbers noted in the Vessel's documents. Charter company have to repair such fault promptly, immediately after receiving the notice. If Charter company repairs the fault within 24 hours from notification, Client/Skipper is not entitled to demand indemnification.
  - e) In case of major sea damage or accident, possible delay or loss of maneuverability of the vessel, the Charter company has to be informed at once. The Client/Skipper has to undertake everything in his power to reduce the effects as well as to avoid consequential damage (for instance breakdown, etc.). Moreover, the Client/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 Client/Skipper is fully liable for all direct and consequential costs such as confiscation of the Vessel if it is within the scope of responsibility of the Client/Skipper or members of his crew.
  - f) If there is reason to assume that the Vessel is damaged in the part under water, the Vessel 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 borne by the Client.
  - g) Theft of the Vessel or of part of the gear or equipment has to be reported to the nearest police precinct.
  - h) Rented equipment and watersport toys (jet ski, water skis, wakeboard, sea bob, kayak, banana & donut, extra tender etc.) Client will use on its own responsibility. In case of any damage done while using the rented equipment, Client should pay for damage before leaving the Vessel upon check out. Payment is possible on the spot in cash, by credit card or can be charged from the Client's security deposit that was left before boarding.
  - i) Animals may be taken aboard only with the express permission of the Charter company.
  - j) In case of shipwreck Charter Company is entitled to exempt the boat from charter without reimburse of money for non used days.
  - k) In case of any inappropriate behaviour from client's side on the vessel Charter Company is entitled to exempt the vessel from charter or disembark client/guests from the vessel if necessary.
  - l) If client didn't hire professional skipper organized by Charter Company then client is responsible for any damage made on the vessel during the charter which should be covered by his side.
  - m) All damages made on the vessel from guests' side during the charter are their own responsibility and should be covered by them.
  - n) Charter company is not liable for (personal) items that are left on the vessel after the disembarkation and takes no responsibility whether the latter will be found.

## 11. Check-out

- a) The Client/Skipper is obliged to return the Vessel to the agreed base port on Friday til 6 pm and the entire crew has to leave the Vessel, including their luggage on Saturday til 9 a.m (the latest), unless otherwise stipulated in the Lease contract/booking confirmation or other written form.
- b) If the Client/Skipper is unable to return the Vessel, he has to inform the Charter company and make arrangements to have the Vessel returned by another person at the Client's cost and risk. Until the check-out procedure the Client has to leave a qualified person on board.
- c) Late return may be justified in the case of force majeure provided that the Client informs Charter Company immediately. Unfavourable weather conditions cannot justify the delay of the agreed return date and time of the Vessel. When it comes to the delayed return of the Vessel, Client agrees that for the delay of one hour we will pay additional daily rent. For delays over one hour, the Client must pay double daily rate for each hour overdue, as well as additional expenses that have come up due to the late returning of the Vessel.
- d) 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 Charter company also has to be informed about groundings and possible defects.
- e) If Vessel and equipment are in good condition, clean, complete and with a full tank, the deposit will be returned to the Client. The proper condition of the vessel at check-out has to be confirmed and signed jointly by Client/Skipper and Charter company or their deputies.

- f) The Client is obliged to leave the Vessel clean (take out the garbage, wash the dishes etc), with full tanks of fuel and water, ready for further sailing, i.e., in the same condition in which it was on the charter start date. If the Vessel was not returned in a satisfactory condition, Charter Company reserves the right to charge additional cleaning fee (50% of the comfort package price) or deduct the amount from the Security deposit.
- g) If repairs are necessary, the Client has to contact the Charter company and agree on an earlier return of the vessel, so that work can be done in a timely and accurate manner for the next charter. If the damage is within the Charter company responsibility, fees covering the loss (day(s) will be reimbursed to the Client. Any additional claims by the Client (cost of overnight stays, etc.) are excluded. If the Client causes the damage, no compensation for lost time during the trip will be disbursed.
- h) If client insists to get the boat inspected by Charter Company technicians on Friday but spends the night on the vessel and disembarks on Saturday morning until 9 A.M. Charter Company is entitled to charge the client for any damage that may occur during the period from Friday to Saturday. Company should inform the client regarding the damage and charge for damage if necessary.
- i) Deposit will be handed back to the Client after deducting the retainer and all costs incurred by repairing the damage that are 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 Vessel's check-out.
- j) All Vessel's documents (received in the office upon check-in) the Client must return to the office upon check-out.
- k) Any claims for damages raised by the Client/Skipper against the Charter Company will be consider during check -out, with all necessary pertinent explanations and demonstrative evidence (including photos, audio & video recordings and similar). In the case that complaint can not be solved during the check-out procedure, it should be sent to Charter company by e-mail in a written form, with all pertinent explanations and demonstrative evidence within 14 days after the charter is finished.  
Subsequently received or incompletely documented complaints will not be taken into consideration by the Charter Company.

## **12. Restrictions Ordered by the Charter Company**

Upon confirmed booking client agrees that Charter Company is allowed to forward his personal details to the insurance company if needed.

## **13. Liability of the Charter Company**

The Charter Company reserves the right to limit the range of the Vessel either based on the Vessel's category or if conditions for navigation are unsafe or otherwise unusual. A ban on navigating the Vessel at night may also be pronounced by the Charter Company. The responsibility for ignoring such restrictions is exclusively with the Client/Skipper.

## **14. Liability and Place of Jurisdiction**

In case of any dispute or controversy under this Contract, an attempt shall be made to settle dispute or controversy peacefully and by understanding. If dispute or controversy cannot be thus resolved, the matter shall be forwarded to the Court of the Split, and shall be subject to Croatian law. The court of jurisdiction is the court in Split.

## **15. Liability of the Agent**

The Agent act as the intermediary between Client and Charter Company. His liability does not exceed his specified tasks or responsibilities as laid down. 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.

Agent is responsible to forward the Charterer General charter terms, Client affirms that he has read the General Charter Terms and agrees to its content.