

# TERMS AND CONDITIONS OF CHARTER CONTRACT

1. The charter company is liable to provide the charter yacht at the agreed location on the agreed date in a sail-ready condition for use by the charterer. If, for unforeseen reasons (e.g. damage made during the previous charter), the charter company cannot provide the right vessel at the location, the company must provide the charterer with a yacht of similar length and berth size for charter, or refund fees to the charterer in full.

In this case, the charterer need not make a claim for compensation. The amount of the refund is calculated with interest on a daily basis.

**2. INSURANCE:** The charter company is liable to insure the yacht with:

-Kasko insurance of vessel to the amount of the market value of the vessel including fittings, with franchise (participation in the damage) in amount of charter deposit.

-Insurance from the responsibility of the damage made to the third party (goods and persons) till amount as requested by Croatian law.

Personal belongings of the charterer and crew are not covered by this insurance policy.

**3. CHARTERZONE:** The agreed charter sailing area are Croatian national waters if not agreed differently.

**4. SAILING CONDITIONS:** By signing the charter contract the charterer confirms that he or she displays all the required knowledge of seamanship and navigation to sail a yacht on the open sea. Otherwise he must appoint a captain for the vessel, who should sign the charter contract too.

By signing the charter contract the charterer affirms that he possesses a sailing certificate and has the required level of seamanship skills.

The charterer will be held responsible for making any false declarations. The charterer and vessels captain, in so far as they are not the same person, are completely subject to the terms of this contract.

**5. SPECIFIC LIABILITIES OF THE CHARTERER:**

-The charterer is liable to maintain the yacht and fittings, and to abide by maritime regulations with good seamanship.

\*THE CHARTERER MUST NEVER:

- Run a commercial passenger transport service with the vessel.

- Participate in any sporting competitions, unless authorized to do so.

- Hire out the yacht.

- Tow another craft except in emergency.

- Sail at night except in good visibility and always under good weather conditions.

\*THE CHARTERER MUST:

-Regularly check the yacht during the voyage as necessary (engine oil, cooling water, etc.)

- Keep the yacht log-book up-to-date.

-Strictly sail within the territorial boundaries of the host country excluding restricted areas.

-Constantly keep within sea-lanes.

The charterer is liable to register all incidents in it, including any damage that occurs to the yacht and its equipment. After any accident make a precise detailed report as proof for the harbor master, doctor or experienced authority. Moreover, the charter company should immediately be informed in detail about any incident. The same applies to manoeuvring capability, losses, or seizure or obstruction by the authorities. If costs are incurred because of lack of respect for regulations, they will be borne by the charterer.

The charter base must be informed should the yacht run aground in order to inspect any damage. In case of damage or injury, repair costs and medical expenses will be charged from the deposit.

The cost of deliberate damage to the engine and rigging, loss of equipment etc. because of late return or replacement is likewise deducted from the deposit. For any loss damage for which the exact cost cannot be ascertained the charter company will retain an estimate of the costs for 30 days, after which the balance will be settled.

**6. HAND-OVER OF THE YACHT:** The yacht is delivered to the charterer will be full tank of fuel. The condition of the vessel, equipment and full inventory are verified by the charterer from the check-list and confirmed by his or her

signature. Subsequent complaints by the charterer concerning the yacht's condition and equipment are not possible.

Should the charter company not be able to correct any defect or damage, if only in part, the charterer can revoke the contract altogether, or request a reduction of the charter price.

**7. RETURNING THE YACHT:** After termination of the charter voyage the charterer must return the vessel with the full tank of fuel and with equipment in order as stated in the check-list.

**8. LATE RETURN:** The charterer is liable to return the yacht punctually, at the agreed time. This liability must be met independently on weather conditions. The voyage timetable must be planned so that the yacht can reach the home port on time, even under poor weather conditions. However, if the yacht is not handed over at the agreed time, the charter company must be informed and the charterer must await further instructions. Any additional costs (vessel return fees, travel cost for new charterer, etc.,) must be borne by the charterer. For each full day overdue the charter company can claim double the price for one day.

The charterer will be held responsible for the late arrival. For each full hour over the charter period dead-line (up to 12 hours) the charterer must pay 2% of the corresponding weekly charter rate.

**9. LIABILITIES OF THE CHARTERER AND THE CHARTER COMPANY:**

The charterer is liable to refund the charter company for any breach of contract arising from damage. As for any damage caused by the charter vessel to third parties because of mishandling or negligence, the charter company is free from liability to the charterer. Any demands by the charterer not settled immediately after returning the vessel must be settled within 14 days after the termination of the charter period. The details of the case must be confirmed in writing by both the charterer and the charter company.

**10. METHOD OF PAYMENT:** First installment: in amount of 50% of charter price has to be paid on company's account within 8 days from making the contract with the charter company. Balance: payable at least 30 days before embarkation.

**11. DEPOSIT:** The deposit has to be paid at the base with creditcard (Visa, Mastercard) or CASH. The deposit will be returned without deductions to the charterer after termination of the charter period providing that no damage to the vessel or its equipment has occurred and all items are listed in the check-list.

**12. CHARTER CANCELLATION:** Should the charterer wish to cancel the contract more than 1 months before the charter period beginning, cancellation fee is 50% from charter price. If the charterer wish to cancel the contract less than 1 month before the charter period beginning, cancellation fee is 100% from charter price, unless a substitute charter could be found. If the contract is terminated this fee must be paid not later than 15 days before the charter period begins. All payments are free of additional charges. All other liabilities to the charter company are than cancelled.

**13. MISCELLANEOUS:** Spoken promises or agreements only become effective when confirmed in writing. All questions of dispute should be amicably settle.