

ADRIA APEX Ltd – GENERAL CONDITIONS FOR BOAT CHARTER

Introductory provisions

Article 1

The lessor is ADRIA APEX Ltd, a nautical tourism enterprise, Labin, Presika 1a, tax number (OIB): 76619002770, which provides boat rental services.

The lessee is the person who rents a boat from the lessor without using the services of a skipper and who is authorised to operate the vessel that is the subject matter of the Lease agreement.

The passenger is a person different from the lessee and included in the crew list.

If the Lease agreement is signed with a person who is not authorised to operate the vessel that is the subject matter of the Lease agreement and on the crew list there is a person who is authorised to operate such a vessel, then the provisions referring to the lessee are applicable, to the same extent, to the passenger authorised to operate the vessel that is the Lease agreement subject matter. The person shall sign the Lease agreement in the space reserved for the lessee's signature and shall be considered informed about all provisions of the contract and the present General conditions. The person who is not authorised to operate a vessel as well as the person on the crew list and authorised to drive a vessel shall be equally responsible to the lessor for all the obligations deriving from the Lease agreement or related to the same agreement. All provisions referring to the lessee shall be applicable to the person included in the crew list and authorised to operate the vessel.

Article 2

The present General conditions for boat charter (hereinafter referred as to the General conditions) stipulate the reciprocal rights and obligations of ADRIA APEX Ltd as the lessor (hereinafter referred to as the Lessor) and the user of the services as the lessee (hereinafter referred to as the Lessee).

These General conditions form an integral part of the Lease agreement signed by the Lessor and the Lessee and are equally binding on both contracting parties.

The Lessor and the Lessee hereby agree to comply with the present General conditions and the Lease agreement by acting in good faith and with respect for the reciprocal rights and obligations and good business customs, etiquette and protocol.

Article 3

The Lessor guarantees the accuracy of the data concerning the vessels in his/her charter offer and the accuracy of the rental conditions published in writing with the Lessor's signature and stamp or published on the Lessor's official website www.apexcharter.com.

The Lessor cannot guarantee the accuracy of the data concerning the vessels and the rental conditions distributed in a different manner.

Article 4

The Lessor guarantees that only the photographs published on his/her official website are the photographs of the vessel in his/her charter offer and guarantees that the photographs represent the real conditions of the vessels chartered.

The official website contains a detailed description of each vessel.

On the official website each vessel has its inventory sheet and the Lessor guarantees that the vessel is equipped in accordance with the inventory sheet.

When choosing the vessel the Lessee is required to pay attention to all details of the vessel he/she intends to hire since it is not possible to file a complaint concerning the conditions of the vessel, its characteristics or equipment at a later date nor shall such

complaints be considered a valid reason for requesting a replacement vessel or any form of compensation.

Article 5

The present General conditions and the Lease agreement are published on the Lessor's website and are available to the Lessee at any time.

Article 6

The Lease agreement is signed between the Lessor and the Lessee and/or other parties owning an equal interest.

All rights and obligations derived from compliance with the contractual obligations will be fulfilled between the Lessor and the Lessee and/or other parties owning an equal interest.

Article 7

The Lease agreement is signed between the Lessor and the Lessee when the Lessee makes a down payment for one or more vessels. Since that moment between the Lessor and the Lessee the provisions of both the present General conditions and the Lease agreement are applicable.

With the down payment the Lessee shall be considered informed about the provisions of both the Lease agreement and the General conditions of business.

Boat reservation

Article 8

Boat reservations will be made electronically by filling up a form specifically designed for the purpose and available on the Lessor's official website or by filling up the same form in the offices of the agents authorised to sell the Lessor's services.

When making the reservation the Lessee is required to provide all data specified on the form, which means his/her personal data and those belonging to all the passengers on board, in particular name and surname, address, date of birth, as well as the type and the number of a valid identification document.

When making the reservation the Lessee is required to present a copy of his/her permit for operating the vehicle with clearly visible to whom the permit is issued, the expiry date and the category of vessels for which the permit is issued.

Should the Lessee not have the possibility to provide the data under paragraphs 2 and 3 of the present article at the time of reservation, he/she are required to do that no later than 8 days after the reservation. Should the Lessee fail to do that, the Lessor is entitled to break the Lease agreement.

Rental rate

Article 9

The rental rates for vessels are published on the Lessor's official website. The rental rates listed refer to each vessel and the rental period of one week, from Saturday to Saturday.

The rental rate of a vessel includes renting the vessel with full fuel and water tanks, using the vessel and all equipment on board, mandatory and voluntary insurance of the vessel, kasko insurance exceeding the amount of the deposit, as well as accident insurance for the Lessee and the passengers.

Furthermore, the rental rate covers assistance at sea in accordance with the service provider conditions.

The rental rate includes the use of all equipment and things indicated on the inventory sheet published, for each vessel, on the Lessor's official website.

The rental rate does not include the expenses for marinas, mooring tax, visitor's tax, and other taxes and payments for public services or regional and local governments or persons to whom the mentioned bodies transferred their competencies (concessionaires), fuel and water tanks expenses, health insurance for the Lessee and passengers on board, and anything that is not defined as the rental rate for vessels (paragraphs 2, 3, 4 of the present article).

Should the rental price change after the down payment (increase or decrease), for the Lessee and the Lessor it shall be considered valid the rate at the moment of reservation and down payment.

Payment

Article 10

In order for the reservation to be valid for the Lessor, the Lessee is required to make at the moment of reservation a down payment that is 50 per cent of the total rental fee (the vessel rental fee increased by the value of additional services agreed with the Lessee).

The Lessee is required to pay the rest to the full amount at least one month prior to the start of the rental period (for example, if the rental period starts on 1 June, the Lessee is required to make the payment of the rest of the amount on 1 May at the latest).

Should the Lessee fail to pay the rest to the full amount of the rental fee at least one month prior to the start of the rental period as provided under the previous paragraph, the Lease agreement will be broken. The date the agreement is broken is the day after the last day of the payment deadline (for example, if the last payment day is 1 May, the agreement ends with 2 May). In that case the Lessee is not entitled to reimbursement of the down payment.

For bookings made less than 30 days prior to the start of the accommodation services aboard the vessel the full amount of the service fee has to be paid.

The payment amount is equivalent to the exchange value of the contractual price in kunas according to the average exchange rate of the Croatian National Bank of the payment day (www.hnb.hr).

The Lessee's right to break the agreement

Article 11

The Lessee can break the Lease agreement by email or registered mail.

If the Lessee breaks the Lease agreement by email, the contract is valid only if the Lessor confirms the receipt. The Lessor is required to send the receipt confirmation concerning the email with which the Lessee broke the agreement immediately or within 24 hours from the moment the email was sent. If within that deadline the Lessee does not receive the Lessor's confirmation, the Lease agreement is not considered broken.

The date when the Lessor received the notice (the date indicated on the advice of receipt or the date of email receipt (if there is a confirmation receipt)) is the basis on which the expenses and payments for breaking the agreement are calculated as follows:

- for a notice up to two months prior to the start of the rental period (for example, if the rental period should start on 1 June two months prior to that date is 1 April), the Lessor will require the payment of 30 per cent of the total rental fee. The rest will be reimbursed to the Lessee at the latter's expense.
- for a notice up to one month prior to the start of the rental period (for example, if the rental period should start on 1 June, one month prior to that is 1 May), the Lessor will

require the payment of 50 per cent of the total rental fee, i.e. will not reimburse the down payment.

- for a notice of less than one month prior to the start of the rental period (for example, if the rental period should start on 1 June, less than one month prior to that is the period between 2 May and 1 June), the Lessor will require the payment of 100 per cent of the rental fee, i.e. the Lessor retains the full amount paid.

The Lessee will be reimbursed as soon as the Lessor calculates in accordance with the provisions of the previous paragraph (3) the exact amount of reimbursement. The payment is made into the Lessee's current account (if the Lessee is a citizen of the Republic of Croatia) or foreign-exchange account (if the Lessee is a citizen of another country) or the account of the agency through which the vessel has been rented. The payment is made in kunas, that is in the exchange value of the euro according to the average exchange rate of the Croatian National Bank on the day of payment. The Lessor does not cover the costs of reimbursement.

Article 12

If the Lessee who cancels the vessel rented finds at the moment of cancellation a new lessee, who is also authorised to operate the vessel that is the subject matter of the rental agreement and who is ready to assume all rights and obligations, the Lessor will require the Lessee who cancelled the agreement to cover only the costs created by the replacement and will reimburse the Lessee for the rest of the amount.

The provisions concerning the debt assumption are applicable in an appropriate manner to the relation in the previous paragraph.

Article 13

If the Lessee cancels the reservation due to circumstances beyond our control or due to objective reasons (death of a family member, health problems, serious accident), the provisions in paragraphs 10 and 11 of the present General conditions are applicable to the agreement cancellation.

However, in accordance with good business customs, etiquette and protocol, if the Lessee cancels the Lease agreement for the reasons under paragraph 1 of the present article and if the Lessor finds, independently of the Lessee under paragraph 1, by the day chosen as the starting date of the lease another lessee for the same rental period, the Lessee under paragraph 1 of the present article will be reimbursed for the difference between the total amount paid and the amount paid by the Lessor for the new Lease agreement.

The Lessee has to prove the circumstances under paragraph 1 of the present article by presenting necessary documents, originals and notarized translations in Croatian.

Deposit

Article 14

When taking over the vessel, the Lessee is required to provide the Lessor with a mandatory deposit of 1,000 euros in cash or through a credit card slip.

The purpose of the mandatory deposit is to reimburse all damages created during the rental period and not covered by insurance.

The amount of the deposit corresponds to the amount of the insurance policy deductibles.

When the vessel is returned to the Lessor, the latter checks the vessel in the presence of the Lessee. If the vessel is returned clean and tidy and with no damage and in the event no requirements concerning the use of the vessel rented have been suggested or announced by

third parties for the Lessee, the Lessee will be reimbursed by the Lessor for the whole amount of the deposit if the latter was paid in cash or the Lessee's credit card slip if the payment was made that way.

Should the vessel, one of its part or its equipment suffer a damage, due to an intentional action or negligence on the part of the Lessee, the latter is liable for all expenses derived from the repair, replacement or purchase of another vessel, part of boat or equipment, which are covered by the deposit. If such a damage exceeds the deposit amount, the Lessee is liable for full compensation of the damage costs.

If in the circumstances described under paragraph 4 of the present article further renting of the vessel is not possible, in addition to the coverage of the costs for repairing, replacing or purchasing another vessel, part of it or equipment, the Lessor will be entitled to the whole amount of the deposit equal to the profit loss and will request the Lessee compensation for the loss exceeding the deposit paid.

Hiring the vessel

Article 15

In general, the vessel is hired on Saturdays, between 5 p.m. and 8 p.m. at the agreed place.

Should the Lessee, without prior notice and for any reason, fail to take over the vessel within 12 hours from the agreed time, the Lessor is entitled to cancel unilaterally the Lease agreement, whereas the Lessee is not entitled to be reimbursed for the paid amount of money or any other type of reimbursement.

If the Lessor, for any reason, cannot provide the Lessee at the agreed time with the vessel reserved, the Lessor has a right to supply the Lessee within 24 hours (starting from the time the vessel was supposed to be hired) with another vessel of the same or better features. Otherwise, the Lessee is entitled to cancel the Lease agreement unilaterally and to be reimbursed for all the payments into the Lessor's account.

If the Lessee decides to wait for the vessel offered as a replacement even after the deadline of 24 hours from the agreed time, he/she can request the amount equivalent to the rental fee value of the number of days during which the vessel was unavailable.

The Lessor's liability regarding the payment of larger or other amounts under paragraphs 3 and 4 of the present article is excluded.

Article 16

When hiring the vessel, the Lessee is required to present to the Lessor a receipt or another proof confirming that the whole amount has been paid.

Article 17

The Lessor must provide the Lessee with a vessel ready for navigation, tidy, technically flawless, fully equipped in accordance with the inventory sheet, and with full fuel and water tanks.

Article 18

When hiring the vessel, the Lessee is required to carry out a thorough examination of the vessel and its equipment, and make sure that the equipment on board matches the inventory sheet. The aforesaid actions are confirmed by the Lessee's signature on the inventory sheet.

The Lessee can make a complaint regarding the general condition of the vessel and its equipment or the discrepancies between the equipment on board and the inventory sheet only before the journey starts.

The Lessee is not entitled to ask for a reduction in charter rates because of hidden flaws and faults of the vessel and/or equipment of which the Lessee had no knowledge when he/she hired the vessel or flaws and failures that emerged after the vessel is chartered and which the Lessor could not predict.

If a part of the vessel, equipment or inventory suffered during accommodation services previously provided a loss or a damage which cannot be repaired or replaced before the new crew starts using the vessel, the Lessee cannot cancel the Lease agreement or ask for a reduction in accommodation rates if the fault suffered by the vessel, equipment or inventory does not represent a maritime security risk.

Article 19

The vessel is rented with all the documents needed for renting vessels (navigation permit, concessionary permit, passenger list, visitor's tax registration, mandatory insurance policy).

Furthermore, the Lessee is provided with the ship file with the list of harbour master's offices, petrol stations, marinas and anchorages, as well as the list of important phone numbers.

The Lessee is required to preserve with utmost care the documents under paragraphs 1 and 2 of the present article and return them when returning the vessel.

Article 20

In order to ensure safety for the Lessee and the passengers on board each vessel is provided with a surveillance system through which the Lessor can, provided there is a good reason, locate the vessel in real time.

The purpose of the vessel surveillance is to give the Lessor the possibility to locate the vessel in case of danger or damage. The Lessor guarantees that he/she will not abuse the vessel surveillance system and use it for other purposes.

Article 21

Integral part of the boat documentation is the logbook which the Lessee has to keep by inserting the main navigation directions with destinations, especially those which included overnight stays for the crew, and other important facts noticed during the journey.

Returning the vessel (check-out)

Article 22

The Lessee is required to return the vessel at the port where the vessel was hired at not later than 9 a.m. of the last rental day, the latter being, normally, a Saturday. The Lessee is required to keep himself/herself informed of weather conditions. Adverse weather conditions are not reasonable cause for failure to return the vessel at the agreed time, which is why the Lessee must take into consideration weather conditions.

The Lessee is required to return the vessel in the condition in which the vessel was when he/she hired it.

The Lessee is required to return the vessel tidy and clean in order not to be liable for additional charges. Should the Lessee return the vessel untidy and dirty, he/she will be charged the cleaning service from the deposit to the amount of 100 euros in the exchange value of the kuna on the day of payment according to the average exchange rate of the Croatian National Bank.

Before the Lessee redelivers the vessel, he/she is required to fill up the vessel's fuel and water tanks at one of the following petrol stations: ACI OPATIJA (45°19,0' N 14°17,7' E),

ACI CRES (44°57' N 14°24' E), NEREZINE (Osor passage) (44°40'20,04" N 14°23'48,36" E), MALI LOŠINJ (44°53,48' N 14°46,64' E), according to the direction the Lessee comes from. Upon return of the vessel the Lessor will fill up full fuel tank at the Lessee's expense and at the price the Lessee filled the tank before returning to the port.

Before he/she returns the vessel, at one of the petrol stations under the previous paragraph the Lessee is required to fill up the water tank to the full. Upon return of the vessel the Lessor will fill up full water tank at his/her own expense.

Article 23

Should the Lessee fail to meet the agreed deadline for returning the vessel, if late up to three hours he/she is required to pay the amount of a daily rental fee (the amount of a weekly rental fee according to the official price-list without discount / 7).

If late more than three hours and for every next day in calendar terms the Lessee is required to pay quadruple daily rental fee (the amount of the weekly rental fee according to the official price-list without discount / 7 x 4) increased by all the additional costs of the Lessor emerged as a consequence of the late redelivery of the vessel (article 14, paragraphs 3 and 4, as well as all other expenses directly related to the late redelivery).

Article 24

In the event in which the Lessee, for any reason, returns the vessel at the port that is not defined as the destination port the Lessee pays to the Lessor all transport expenses to the destination port, expenses incurred by the Lessor due to the late redelivery leading to a late delivery of the vessel to another lessee, as well as the compensation for damages not covered by the insurance policy and occurred during the transport.

Article 25

At the time of redelivery the Lessor carries out in the presence of the Lessee an inspection of the general condition of the vessel, its equipment and verifies that the inventory upon return of the vessel matches the inventory sheet signed by the Lessee at the time of hiring the vessel.

Article 26

The Lessee is required to report to the Lessor all damages of the ship, parts of it, its equipment or inventory, as well as losses of parts of the ship, equipment or inventory.

The Lessee is liable for the expenses occurred due to damage or loss of the ship, a part of it, its equipment or inventory as a result of intentional, negligent or inappropriate actions on the part of the Lessee or another passenger aboard the vessel. Such a damage will be reimbursed from the deposit. If the damage exceeds the deposit amount and is not covered by insurance, the Lessor will request the Lessee full reimbursement.

Extending the rental period

Article 27

If the Lessee, for any reason, would like to extend the rental period, he/she is required to notify the Lessor, who, depending on the availability of the vessel, will agree to extend the rental period. The communication between the Lessee and the Lessor will occur via electronic means. The Lessee shall return to the port of departure because of the rental period extension if requested by the Lessor.

Obligations of the Lessor

Article 28

The Lessor assumes all obligations and liabilities concerning the services he/she agreed to carry out for the Lessee in good faith and with the loyalty and diligence of a good businessman, and agrees to be responsible for the rights and interests of the Lessee in accordance with good business practices.

The Lessor is responsible to the Lessee for any services agreed and not performed in accordance with the contractual requirements and will act as described in the present General conditions.

The Lessor denies the liability if not provided with the possibility to perform the contractual services on behalf of the Lessee as specified in the Agreement due to circumstances beyond our control (war, riots, strike, terrorism, natural disasters, etc.).

Article 29

In the event of a failure of the vessel or the vessel's equipment due to natural deterioration of the vessel or its equipment, the Lessor is required to repair the breakdown within 48 hours upon receipt of the Lessee's notification. In such a case the Lessee is not entitled to any reimbursement.

If the Lessor, for any reason, does not have the possibility to repair the breakdown within 48 hours, the Lessee is entitled to cancel the Lease agreement and can obtain a reimbursement of the rental fee for all those days he/she did not use the vessel. In that case the Lessor will make sure the Lessee is transported to the port of departure.

For the circumstances in paragraph 1 of the present article any other responsibility on the part of the Lessor is excluded.

Obligation of the Lessee

Article 30

The Lessee assumes the following obligations:

- to have, as all other passengers on board, valid travel documents. The Lessee and passengers will be held liable for all expenses due to document loss, damage or theft occurred during the voyage.
- to operate the vessel, its inventory and equipment with utmost care, as he/she would handle his/her own property, and to act responsibly in all aspects.
- not to operate the vessel under the influence of alcohol or drugs.
- to navigate in the internal waters and the territorial sea of the Republic of Croatia.
- to keep away from the zones in which navigation is prohibited (military zones etc.).
- to operate the vessel and plan routes by studying navigational charts and nautical guides and especially not to navigate through areas that are insufficiently explored and covered by nautical maps.
- to plan carefully the route and strictly follow the plotted route.
- to be the evening before returning to the port of departure at the port of departure or at a distance of not more than 5 nautical miles from the port of departure.
- to avoid navigating at night.
- to navigate only in safe weather conditions and in times of good visibility and to avoid dangerous navigation zones.
- not to leave the port or anchorage if the speed of the wind is more than 20 knots or is expected to be that strong or stronger, as well as to stay at the port or anchorage if weather conditions are unstable or are expected to be adverse.

- not to leave the port or anchorage in case of malfunction of the vessel, an important part of the equipment, as engine, ropes, drainage pump, anchor pump, navigation lights or safety equipment.
- not to leave the port if the port authorities prohibited navigation or issued a notice preventing the vessels to leave the port, if the fuel and water supplies are not sufficient and if a passenger has a medical condition because of which his/her life could be in danger during the navigation.
- not to use the vessel for commercial purposes (transport of persons and goods for a fee), professional fishing, sailing school or any other activity corresponding to a commercial enterprise.
- not to sublet the vessel or allow a third party to use it.
- to allow boarding only to people indicated on the crew list.
- to have on board only the number of people that does not exceed the vessel's capacity.
- not to participate in regattas or races in any function whatsoever without the Lessor's permission.
- not to tow another vessel unless there is an emergency.
- to undertake all prevention measures in order to avoid situations in which the vessel that is the subject matter of the lease should be towed. If such a situation occurs, the Lessee is required to undertake all safety measures while waiting to be towed, in addition to other actions, and notify immediately the Lessor. The towing services price cannot be established without the Lessor's consent. Should the Lessee do that, he/she will be liable for all expenses derived from such transportation.
- to respect all customs law and other regulations of the Republic of Croatia and not to bring on board undeclared items or items that in accordance with the same regulations cannot be imported in Croatia.
- to make sure to act, with other passengers on board, in accordance with the law and regulations of the Republic of Croatia, and especially to respect regulations regarding fishing, underwater fishing and archaeological goods since none of these activities is allowed without a permission of the competent authorities.
- to agree that the Lessor can cancel immediately the Lease agreement if the Lessee or a passenger violated a law or a regulation of the Republic of Croatia. In that case the Lessor is entitled to take over the vessel immediately, while the Lessee cannot obtain any reimbursement.
- to agree that only the Lessee or passengers on board are liable for every offence or felony connected with the vessel that is the subject matter of the lease, committed during the rental period and which would be caused by an action or omission on the part of the Lessee or a passenger.
- to agree that the Lessee will assume the responsibility and reimburse any damage caused by an action or omission on the part of the Lessee or a passenger and for which the Lessor is responsible on any basis whatsoever to a third party.
- to agree that the responsibility of the Lessee for the damage, offence or felony occurred during the rental period and connected with the vessel rental established upon expiration of the rental period does not end when the rental period expires (the responsibility of the Lessee continues until the legally valid termination of the procedure).
- to write down the course of events and promptly notify the Lessor in case of damage, accident or any other emergency, and report the accident to the nearest port authority, as well as to take all other necessary actions according to the instructions provided by competent authorities or the Lessor.

- to promptly notify the Lessor and competent authorities if the vessel or its equipment disappears, is taken away from the Lessee or confiscated, or if the Lessee does not have the possibility to operate the vessel due to a ban lifted on the vessel or the Lessee regarding the navigation. The Lessee assumes the obligation to take all necessary actions according to the instructions provided by competent authorities and/or the Lessor.
- to promptly notify the Lessor and follow his/her instructions in case of a vessel or equipment damage due to natural deterioration of the vessel or its equipment.
- to assume total liability and agree to reimburse to the Lessor any damage caused by the Lessee's negligence and not covered by insurance and for which the Lessor is responsible to a third party.
- to assume total responsibility and liability should a national competent authority confiscate the vessel due to illegal actions taken while using the vessel during the rental period (commercial fishing, antiquities hunting). The Lessee assumes total responsibility and liability towards national competent authorities as well as towards the Lessor for the damage caused by the described illegal actions.
- to fill the fuel tank in accordance with the rules and at places designed for the purpose, as well as to dispose of waste at places designed for that purpose. The Lessee shall be liable for the sea pollution caused by the use of fuel filling services as well as for an improper waste disposal.
- to verify on a daily basis the quantity of the engine oil. The Lessee shall be liable for the damage due to the insufficient quantity of the engine oil.
- to keep a log correctly and leave it on board upon expiration of the rental period.
- not to take on board a pet without the Lessor's permission.
- to use only the spots belonging to safe harbours and marinas, taking into consideration current and upcoming weather conditions.
- to be liable for a damage caused by stopping in unsafe harbours and marinas.
The Lessee is required to present the provisions of the present General conditions to all the passengers on the crew list.

Vessel operation permit

Article 31

The Lessee is required to possess a valid permit for operating the vessel that is the subject matter of the lease as well as the confirmation attesting that the Lessee has passed the test regarding the use of the marine radio.

In addition, the Lessee is required to possess the nautical knowledge and skills he/she must have to be able to operate the vessel that is the subject matter of the lease.

The Lessor can ask the Lessee to show his/her nautical knowledge and skills in the presence of an authorised person who is representative of the Lessor. The test related expenses shall be covered by the Lessee. The time spent on the test will be included in the rental period.

Should during the examination the Lessor establish that the Lessee does not possess sufficient nautical knowledge and skills to be able to operate the vessel or that he/she does not possess a valid operation permit or the certification attesting he/she has passed the marine radio test, the Lessor is entitled to ban the Lessee from leaving the port and immediately cancel the Lease Agreement. In that case, the Lessor has a right to keep the whole amount of the rental fee paid. The Lessee is not entitled to any compensation.

The Lessee is liable for all consequences of the decision to allow unauthorised person to operate the vessel.

Insurance

Article 32

Each vessel has compulsory third party insurance, voluntary third party liability insurance, motor own damage insurance (kasko), and accident insurance for the Lessee and the passengers.

The kasko insurance covers the damages exceeding the deposit except those caused by intentional actions or gross negligence.

The insurance is defined in accordance with the conditions established by the insurer chosen by the Lessor for the vessel insurance.

Article 33

The property of the Lessee and the passengers on board is not insured.

The Lessee and the passengers do not have a health insurance policy.

Article 34

The Lessee is required to promptly notify the Lessor about every damage of the vessel, part of it or its equipment, as well as about losses of parts of the vessel or the equipment.

In case of more severe ship damages or accidents, or when the accident occurred involves more vessels and persons, the Lessee is required to report the accident to the competent port authority and carry out the entire procedure in accordance with the instruction of a competent authority or the Lessor and gather all documentation required for the insurance coverage.

The Lessee assumes full responsibility and liability for damages covered by the insurance policy and not reported immediately to the Lessor, competent authorities or the insurer, as well as for those for which no documentation has been provided and which have not been recognized by the insurer.

Article 35

If the damage occurred interest the vessel or a part of it, the Lessee is required to cover all the expenses in accordance with the current conditions of the kasko insurance only to the amount of the deposit.

In case of damage or loss of the vessel, a part of it or the equipment due to intentional actions or gross negligence on the part of the Lessee or the passengers, the damage compensation is the liability of the Lessee.

Article 36

Engine damages caused by insufficient quantities of the engine oil are not covered by insurance. All costs and damages occurred due to the lack of the engine oil are the Lessee's liability.

Liability for the expenses incurred during the rental period

Article 37

The Lessee is liable for all damages and flaws occurred or emerged during the period in which the vessel was the responsibility of the Lessee and that have no connection with the natural deterioration of the vessel. If the Lessee has to carry out the repair, he/she has to reach an agreement with the Lessor about the technical justification for the needed repair and the person who will carry out the repair.

The Lessee will be liable for all costs that could arise from an unauthorised repair.

Article 38

The Lessor is liable for all damages and flaws occurred while the vessel was the responsibility of the Lessee and connected with the natural deterioration of the vessel. If the Lessee has to carry out the repair, he/she has to reach an agreement with the Lessor regarding the technical and financial justification for the needed repair and the person who will carry out the repair. In case the Lessor has no possibility to pay directly for the repair, then the repair will be paid for by the Lessee to whom the whole amount paid will be fully reimbursed upon submission of the receipt.

The Lessee will be liable for all costs that could arise from an unauthorised repair.

Breakage and damages

Article 39

The Lessee assumes the obligation to inform the Lessor about every breakage and damage immediately upon their occurrence regardless of the cause. If it is necessary to carry out immediately certain repairs, the Lessee is not allowed to take such action without the consent and instructions of the Lessor. Otherwise, the Lessee will be liable for all costs that could arise from an unauthorised repair or replacement.

Loss of belongings

Article 40

The Lessor accepts no liability for the loss and/or damage of the belongings of the Lessee and other passengers on board or of other people's property aboard the vessel or in the Lessor's premises.

By signing the Lease agreement the Lessee renounces his/her claim to a damage compensation under paragraph 1 of the present article.

Using services of the official skipper

Article 41

If the person who intends to hire the vessel wants to use the services of the official skipper, he/she is required to do that while booking the vessel.

Article 42

The provisions of these general conditions are applicable to the Lessee even in the event in which the vessel is operated by the official skipper with the following exceptions:

- the deposit cannot be used to cover the costs due to the skipper's negligence or improper vessel or equipment operation.
- the skipper is required to verify on a daily basis the quantity of the engine oil and accepts full liability for damages and losses occurred due to insufficient quantities of the engine oil.
- the skipper is liable for all damages and losses occurred during underwater ship cleaning operations due to negligence or improper vessel operation.
- all damages caused by intentional actions or gross negligence, inadequate vessel inspection and failure to comply with written and unwritten nautical laws and customs are the skipper's liability and covered by his/her professional insurance policy.
- all costs that could arise from unauthorised repairs or replacements (articles 37, 38 and 39 of the General conditions) are the skipper's liability.

Complaints

Article 43

Every lessee is entitled to file complaints if he/she considers the leased services incomplete and/or poorly executed.

The Lessee can demand a compensation only if immediately upon returning the vessel files a written complaint with all documentation and photographs required. The complaint has to be signed by both the Lessee and the Lessor. Complaints filed at a later time and those not provided with the documentation will not be taken into consideration by the Lessor.

The Lessor is required to make an official decision concerning the complaint received within 15 days.

Court jurisdiction

Article 44

In case of controversy, competent is the court according to the Lessor's headquarters. The relations between the Lessee and the Lessor are subject to Croatian law.

