

BRODICA d.o.o. GENERAL TERMS AND CONDITIONS

I. GENERAL PROVISIONS

Article 1

General Terms and Conditions shall apply to users of services of the nautical tourism port - BRODICA d.o.o. Punat (hereinafter: "the Brodica").

The Brodica provides its services in the premises open for free public access and passage without duty to register with the Brodica staff and therefore all Brodica users accept the duty to take particular care of their property as well as property of third parties.

General Terms and Conditions shall govern mutual rights and liabilities of the Brodica and users of its services.

In the General Terms and Conditions, the terms mentioned below shall have the following meanings:

Vessel – each registered object intended for navigation, subject to a contract for permanent or transit dry berth.

Owner – person identified as vessel owner in appropriate legal document.

User – any individual or legal entity entering into a contract for permanent or transit dry berth with the Brodica.

Proxy – person authorized by a vessel owner or user, with powers set out in details in a written power of attorney, provided the Brodica retains the right to evaluate the validity of such powers and ask for approval from the owner or user.

Dry Berth – area on the land temporarily granted to the user by the Brodica for placement of vessels.

Contract for Permanent Dry Berth – contract between the user and the Brodica for a period exceeding 6 months.

Contract for Transit Dry Berth – contract between the user and the Brodica for a period up to 6 months.

Article 2

Vessel users using a dry berth at the Brodica, crewmembers and other persons authorized to stay aboard the vessels, i.e. all users of the Brodica services, shall comply with these Terms and Conditions and the applicable Port Order Regulations of the Brodica. In case of non-compliance with the foregoing regulations, the Brodica may deny its services, particularly the use of dry berth, or may cancel a dry berth already provided for use.

Article 3

Where any users of the Brodica services causes damages to the Brodica or other users of the Brodica, whether by act or omission, the user shall compensate the damages in full sum in compliance with the applicable rules of the Republic of Croatia.

The material and non-material damages on the Brodica assets, assets held by other dry berth users and assets of third parties, as well as damages due to environmental pollution, caused by the vessel crew or other persons authorized to stay aboard the vessel or incurred as a result of any deficiency on the vessel or vessel equipment as well as a result of

bad maintenance of the vessel or equipment shall be liability of the person who caused the damages by their act or omission in person or with their property.

Article 4

The Brodica guarantees that it fulfils all standards as set out in the applicable laws of the Republic of Croatia and maintains the nautical tourism port, all its infrastructure, building structures, plants or other nautical tourism port facilities in due manner and in good condition with due diligence and according to the rules of profession.

Article 5

All services of the Brodica shall be charged as per applicable price list at the moment when the service is provided to the user and the User shall be deemed informed about the applicable price list upon the signing of the contract or upon the use of the service in case of a transit dry berth. The applicable price list shall be published on the Marina Punat website.

Article 6

Within the scope of its activities, in particular the obligations set out in these General Terms and Conditions, the Brodica shall be liable for damages only where the damages are result of utter neglect by the Brodica or its employees.

The Brodica shall not be liable for damages which could not have been foreseen, prevented, eliminated or reduced in the normal course of the Brodica operations.

The user shall bear sole liability for damages potentially caused by a cable connected with electrical installation of the Brodica at 220 V.

Article 6a

The Brodica shall be responsible for damages it is legally liable for i.e. damages caused by its employees and which the Brodica is liable for based on a court judgment. Brodica d.o.o. shall contract for insurance against liability of a nautical tourism port owner to third parties. The insurance shall cover any and all damages a nautical tourism port is liable for to a person entering into a contract for use of nautical tourism port services or to third parties.

The Brodica shall not be liable for damages or other consequences due to non-compliance with these Terms and Conditions and the Port Order Regulations of Brodica.

Any claim for damages shall be based on a written record made by the official authorities in order to evaluate the grounds for the claim and where that is impossible, the decision on the grounds for the claim shall be decided upon by the competent court.

The Brodica shall not be liable for damages caused by servicing personnel, contractors, proxies of vessel owners or third parties, notwithstanding whether they provided services within the area of the Brodica with the Brodica's consent.

During the stay of the vessel at the Brodica, the user shall use repair services only from the service providers authorized by the Brodica and repair services only at Brodogradilište Punat d.o.o. shipyard.

For the servicing needs, the user shall deliver the keys of the vessel to the Brodica with the signing of Protocol of Delivery and Acceptance of Vessel Keys.

II. PERMANENT DRY BERTH AT THE BRODICA

Contract for Permanent Dry Berth

Article 7

Contract for Permanent Dry Berth shall not be deemed a contract for deposit of property in terms of the Civil Obligations Act, as subject of a Contract for Dry Berth is not based on the subject of a contract on deposit and the depositors' rights are not comparable with the rights of use held by the Dry Berth User based on the Contract for Dry Berth.

Primary means of communication shall be via e-mail address provided to the Brodica by the User at the execution of the Contract for Permanent Dry Berth as their e-mail address.

Contract for Permanent Dry Berth shall govern the use of a permanent dry berth in the Brodica for a minimum period of 6 months.

The permanent dry berth service shall be deemed provided when a Contract for Dry Berth is executed between the Brodica and the User in respect of vessel in written form.

The contract shall be deemed duly executed where the Brodica:

- received a signed counterpart of the contract by e-mail;
- received the User's notification by e-mail that the User agrees with the proposed contract for the use of permanent dry berth;
- received an electronic confirmation;
- received the payment of the agreed fee for permanent dry berth use.

The Brodica shall designate the permanent dry berth for each specific vessel according to the Port Order Regulations of the Brodica and its dry berth's schedule. Where required the Brodica shall, at its option, transfer the vessel subject to the Contract for Permanent Dry Berth to another dry berth within the Brodica without need for a special approval by the User but shall notify the User about the relocation in due time. The change of dry berth within the Brodica during the Contact term shall not affect the liability of the Brodica.

In addition to the executed Contract for Permanent Dry Berth, the User shall provide the Brodica with a copy of a document serving as evidence of title or right of use, copy of passport or personal ID card of the individual who is the user of the dry berth or extract from the register for the legal entity.

Brodica's Undertakings

Article 8

The Brodica shall provide the User with a dry berth for use in compliance with the General Terms and Conditions, Contract for Permanent Dry Berth, Price List and Port Order Regulations of Brodica.

The Brodica shall provide the User and the persons authorized by the User for stay aboard the vessel with duly maintained and equipped sanitary premises and other infrastructure for users.

Where agreed the Brodica shall issue to the User an encoded card for 24/7 access by motor vehicle to the Brodica premises which does not exclude the right of access by motor vehicle to the Brodica premises by third parties as designated by the Brodica.

Permanent Dry Berth User's Undertakings

Article 9

Permanent Dry Berth User shall:

- a) Pay the agreed fee for use of the dry berth at the Brodica in the manner and in time as set out in the contract;
- b) Provide for the maintenance of the vessel with due diligence throughout the period while the vessel is present at the Brodica; in case the Brodica finds the User does not act with due diligence in respect of the vessel, the Brodica may take action aimed to protect the property at the User's expense;
- c) Equip the vessel with fire safety means which will effectively function aboard the vessel;

- d) Equip the vessel with adequate high-quality tarpaulin;
- e) For the purpose of performing works aboard the vessel, submit for inspection technical documents which clearly show the solution of a technical task; warn about the equipment at the underwater part of the vessel and provide exact information on its position particularly if the vessel is lifted;
- f) Insure the vessel and the equipment against the user's liability for damages incurred by third persons and their property including legally required compulsory insurance against liability of vessel user. The insurance must remain in effect throughout the Contract for Permanent Dry Berth.
- g) Report to the Brodica any change of e-mail address; notices by the Brodica shall be deemed duly delivered if sent to the most recent known e-mail address of the Dry Berth User;
- h) Report to the Brodica any change of telephone numbers at which the User may be contacted in case of emergency; the Brodica shall not accept liability for damages which could have been prevented if the User had been available at the phone number provided in the Contract.

Permanent Dry Berth User at the Brodica shall not:

- a) Rent the Dry Berth to third parties;
- b) Use for commercial purposes any part of the nautical tourism port, facilities, vessels or vehicles within or on the premises of the Brodica, unless there is a special contract with the Brodica for such type of activities;
- c) Make any modifications or additions to the equipment and/or installations of the Brodica;
- d) Place any notifications or advertisements unless specifically approved by the management of the Brodica.

Termination of a Contract for Permanent Dry Berth

Article 9a

Contract for Permanent Dry Berth is as a rule executed for a minimum period of 6 months.

Contract for Permanent Dry Berth may not be transferred by the User to other persons and may not apply to another vessel. If during the term of Contract for Permanent Dry Berth, the User transfers or loses the right of possession of the vessel (e.g. due to change of ownership, termination or execution of a new contract for lease, vessel falling in possession of a mortgagee, etc.) shall within 7 days from the change notify the Brodica thereof and provide the name and address of the new possessor. In that case, the Brodica may unilaterally terminate the Contract and remove the vessel to a appropriate dry berth at its own discretion.

In the further 6 months from the expiration of the contract with the prior dry berth user, the Brodica may in an objectively adequate manner determine the new owner or, where it is impossible to determine the new owner or the Brodica has not entered into the contract with the new owner or has not governed the obligations, the Brodica shall start the process of collection of outstanding sums from the former owner only with regard to the vessel located in the Brodica designated by the Brodica in compliance with the preceding paragraph.

The User shall be deemed duly notified about the termination if a statement about termination with the calculation of all costs incurred until then is sent by the Brodica to the e-mail provided by the User.

The Brodica shall be deemed duly notified about the termination of the contract where the notice has been provided to the e-mail address of the Brodica marked as the e-mail address for communication which does not exempt the User from the obligation of settlement of total expenses of the Brodica.

In determination of reasons for termination, the Brodica has the autonomous right to evaluate the grounds for such reasons and in that case at its own discretion transfer the vessel to another adequate dry berth.

The Brodica shall obtain the right to retain the vessel and security interest on the vessel and equipment for all outstanding debts based on the services provided, measures undertaken at the expense of the Permanent Dry Berth User, dues based on the indemnification and other dues based on these General Terms and Conditions and the applicable Port Order Regulations of the Brodica. The User agrees that in such cases the Brodica may without any further questions or approvals effectuate its security interest and retention right on the vessel

Liability for Damages on Vessel and Equipment

Article 10

In any case, the Brodica's liability per event in total sum may not exceed the equivalent of EUR 1,000,000 except in case when the damage is caused intentionally or by gross negligence on the part of the Brodica.

III. TRANSIT DRY BERTH

Contract for Transit Dry Berth

Article 11

The subject of the Contract for Transit Dry Berth is the use of a transit dry berth at the Brodica. The Contract for Transit Dry Berth is a contract for a short period of time and may last at least one (1) day and at most six (6) months. Its duration is determined in the number of days while the vessel is at dry berth.

Service of transit dry berth use is provided based on an informal contract which is deemed executed once the vessel enters in the Brodica and thereby the Transit Dry Berth user accepts these General Terms and Conditions in entirety without option of amendment. Transit Dry Berth user is a person who has the vessel in possession during the use of the transit dry berth.

The Brodica shall designate the transit dry berth for a specific vessel according to the Port Order Regulations of Brodica and its schedule of dry berths.

Once the vessel enters in the Brodica the vessel user shall submit the navigation permit for the vessel (or adequate document which ensures putting out to sea) to the Brodica.

Brodica's Undertakings

Article 12

The Brodica shall provide the User with transit dry berth services for use according to the General Terms and Conditions, the contract if any, price list and the Port Order Regulations of the Brodica.

The Brodica shall provide for use to the transit dry berth user duly maintained and equipped sanitary facilities and infrastructure intended to users.

The Brodica shall keep the vessel documents received from the Dry Berth User and may retain it throughout the time while the vessel is at the Brodica and until full settlement of the invoice for the transit dry berth service.

Transit Dry Berth User's Undertakings

Article 13

Dry Berth User shall:

- a) Pay the fee for the use of dry berth at the Brodica according to the applicable price list, as soon as the Brodica issues the invoice, and in any case before leaving the Brodica;
- b) Keep the vessel and provide for its maintenance with due diligence throughout the period while the vessel is placed at the Brodica;
- c) Equip the vessel with fire safety means which will effectively function aboard the vessel;
- d) In case of leaving the vessel while placed at the dry berth, keep all movable equipment of vessel and personal property of the crew and passengers stored in closed and locked area of the vessel;
- e) Equip the vessel with adequate high-quality tarpaulin;
- f) Insure the vessel and the equipment against the user's liability for damages incurred by third persons and their property including legally required compulsory insurance against liability of vessel user. The insurance must remain in effect throughout the Contract for Transit Dry Berth notwithstanding whether the contract is made in written form or not;
- g) Report to the Brodica any change of e-mail address; notices by the Brodica shall be deemed duly delivered if sent to the most recent known e-mail address of the Dry Berth User;
- h) Report to the Brodica any change of telephone numbers at which the User may be contacted in case of emergency; the Brodica shall not accept liability for damages which could have been prevented if the User had been available at the phone number set out in the contract if any or notified by the User at the vessel registration;
- i) comply with these General Terms and Conditions and the applicable Port Order Rules of the Brodica.

Dry Berth User in the Brodica shall not:

- e) Rent the Dry Berth to third parties;
- f) Use for commercial purposes any part of the nautical tourism port, facilities, vessels or vehicles within or on the premises of the Brodica, unless there is a special contract with the Brodica for such type of activities;
- g) Make any modifications or additions to the equipment and/or installations of the Brodica;
- h) Place any notifications or advertisements unless specifically approved by the management of the Brodica.

The Brodica shall obtain the right to retain the vessel and security interest on the vessel and equipment for all outstanding debts based on the services provided, measures undertaken at the expense of the Transit Dry Berth User, dues based on the indemnification and other dues based on these General Terms and Conditions and the applicable Port Order Regulations of the Brodica and the applicable Croatian laws. The User agrees that in such cases the Brodica may without any further questions or approvals effectuate its security interest and retention right on the vessel.

IV. FINAL PROVISIONS

Applicable Law, Court Jurisdiction and Interpretation of General Terms and Conditions

Article 14

These General Terms and Conditions as well as any and all contracts executed hereunder between the Users and the Brodica shall be governed by the Croatian laws.

It is hereby agreed that the competent court in Rijeka shall have jurisdiction over any and all disputes arising from contracts executed under these General Terms and Conditions.

In case of any dispute, the Croatian version of these General Terms and Conditions shall prevail.

Headings of sections and articles shall serve for convenience only and shall not affect the interpretation of the General Terms and Conditions.

General and Final Provisions of these Terms and Conditions shall apply to all users of the Brodica services while Part II and III shall apply only to specific contractual relations. If any special provision is contrary to general provisions, the special provision of these Terms and Conditions shall prevail.

Amendments

Article 15

These General Terms and Conditions may be unilaterally amended. The Brodica shall notify such amendments in its official newsletter or on its official website and shall notify all users by e-mail to the address designated as correspondent e-mail address in the contract by the users, at latest 30 days before their coming into effect.

Upon expiration of 30 days from the amendment, the amendment shall take effect notwithstanding whether the users have confirmed the e-mail receipt by return e-mail in any way.

Upon execution of the contract or upon payment of subsequent contract term or through continued use of the vessel berth it shall be deemed the User has accepted the amended General Terms and Conditions notwithstanding the foregoing provisions.

Upon taking effect of these amended General Terms and Conditions, the General Terms and Conditions - R 16-002, EDITION 2 dated 1 January 2011 shall no longer be valid.