

RULES AND REGULATIONS

1. **Definitions.** As used in this Lease, the following definitions shall apply:

- (a) (i) **LESSEE** shall mean the Owner, Captain, or other person in charge of the Vessel.
 - (ii) **LESSOR** shall mean Port Lucaya Marina, Ltd., whose office is located in the Dockmaster's Office on the second floor at the head of the east dock.
- "LESSEE" and "LESSOR" as used herein shall include their respective heirs, executors, administrators, successors, representatives, assigns, agents, and servants.
- (b) **Marina** shall mean the piers, docks, floats, waterspace, and common area of the Port Lucaya Marina.
 - (c) **Slip** shall mean the berth assigned to the Vessel.

2. **Use of Marina Facilities.** During the term of this Lease, provided that LESSEE is not in default hereunder, LESSEE shall have the right to use the piers, docks, and floats in the Marina for access by foot to the Slip, subject to the right of all other Marina LESSEES to use such facilities. LESSEE shall also have the right to use the common areas, shower rooms, and laundry facilities which may from time to time be provided by LESSOR at the Marina.

3. **Use of Slip for Vessel.** LESSEE shall use the Slip only for mooring the Vessel. If LESSEE wishes to change the vessel for which it may use the Slip to a different vessel (the "New Vessel"), LESSEE must notify the LESSOR of the proposed change and provide the LESSOR with all the new information with respect to the New Vessel. LESSEE may not use the Slip for the New Vessel unless and until LESSEE obtains the LESSOR'S written consent, which consent shall be at the sole discretion of the LESSOR. If the LESSOR gives its consent to the proposed vessel change, it may increase the rent based on the length of the New Vessel if the New Vessel is longer than the original Vessel. However, LESSOR is under no obligation to reduce the rent over the remaining term of the lease. Upon a change of the vessel for which LESSEE may use the Slip pursuant to this paragraph 3, the term "Vessel" as used herein shall thereupon be defined to mean the New Vessel and all provisions hereof shall pertain to the New Vessel.

4. **Assignment and Subletting.** LESSEE shall not assign or sublet the Slip or permit any vessels other than the Vessel to use the Slip.

5. **Mooring of Vessel.** LESSEE shall moor the Vessel at the Slip so that the Vessel is securely tied and creates no risk of injury to any person and no risk of damage to other vessels, the Slip, or the Marina. Lines used to secure the Vessel shall be of sufficient size and quality to insure safe mooring. LESSEE shall not moor the Vessel or any dinghies used in connection therewith so that the Vessel or such dinghies obstruct the free passage of other vessels. Any fenders used by LESSEE shall be attached only to the Vessels and not to the Slip or any pier, dock, ramp, or float. If the Vessel is not, in LESSOR'S sole opinion, safely or properly moored or is moored in any manner which creates an obstruction to other vessels, LESSOR may, but shall have no duty or obligation to, take any actions necessary to correct such condition, including without limitation, remooring the Vessel, securing the Vessel with different or additional lines, moving the Vessel to another berthing at the Marina, or removing the Vessel from the Marina. Should LESSOR take any such action, LESSEE shall upon receipt of invoice pay LESSOR for the services provided and reimburse the LESSOR for any costs and expenses incurred.

6. **Prohibited Activities.** Neither the LESSEE nor his family, friends, relatives, crew, invitees, visitors, agents, or servants shall make any unlawful, noisy, or offensive use of the Slip or the Marina, nor create any nuisance or cause any damage to the Slip or the Marina, nor disturb or interfere with the rights, comfort, safety, or enjoyment of the other Marina LESSEES, nor conduct or advertise any commercial activity without the specific prior written consent of LESSEE, nor make any use whatsoever of the Slip other than as a berthing for the Vessel. The following activities are also prohibited:

- (a) charcoal or gas fires, except aboard the Vessel;
- (b) use or storage of any flammable materials (other than gasoline in the Vessel fuel tanks and engine lubricants kept in proper containers);
- (c) use of paint burners;
- (d) hanging of clothes, bathing suits, towels or other articles on the exterior of the Vessel or on the docks;
- (e) display of "for sale" signs or any other type of signs;
- (f) advertising or soliciting;
- (g) loud, lewd, or offensive behavior;
- (h) loud playing of televisions, radios, tape players or CD players;
- (i) storage of any gear, equipment, supplies, or other materials on, or obstructing of, the piers, docks, ramps, floats, and common areas; and
- (j) discharge of gasoline, oils, flammable substances, sewage, treated or otherwise, contaminated wastes or refuse into the water or onto the piers, docks, ramps, floats or common areas.

7. **Pets.** All pets must be leashed at all times and cleaned up after immediately.

8. **Dock Boxes.** Dock boxes are allowed only with permission from the LESSOR.

9. **Disposal of Waste Oils, Bilge Water and Other Refuse.** There are no provisions for disposing of waste oil in the Marina. LESSEE shall not deposit any oils or flammables in the waste containers located throughout the Marina. LESSEE shall dispose of all non-flammable refuse, after first placing such refuse in plastic garbage bags, in the waste containers.

10. **Operation of Vessel.** LESSEE shall operate the Vessel with due care so as to avoid injury to any person and so as to avoid damage to other vessels, property, the Slip, and the Marina. LESSEE shall comply with all applicable laws, ordinances, rules and regulations in its operation of the Vessel and its use of the Slip and the Marina.

11. **Condition of Vessel.** LESSEE shall at all times maintain the Vessel in a safe, seaworthy condition. LESSEE shall not at any time permit the Vessel to constitute a fire or explosion hazard. If, in LESSOR'S sole opinion, the condition of the Vessel at any time creates a safety hazard, LESSOR may, but shall have no duty or obligation to, take any actions necessary to abate the hazard, including without limitation, moving the Vessel to another berthing at the Marina or removing the Vessel from the Marina. Should LESSOR take any such actions, LESSEE shall upon receipt of invoice pay LESSOR for the services provided and shall reimburse LESSOR for any costs and expenses incurred. Vessel must at all times have the ability to get underway under its own power.

12. **Work on Vessel.** LESSEE shall not perform any work or repairs on the Vessel or engage any outside labor to work on the Vessel without first obtaining the permission of the LESSOR.

13. **Vessel in Sinking Condition.** LESSOR may, but shall have no duty or obligation to, pump out the Vessel if the Vessel is in sinking or swamped condition or raise the Vessel if it has sunk. Should the LESSOR take any such actions, LESSEE shall upon receipt of invoice pay LESSOR for the services provided and shall reimburse LESSOR for any costs and expenses incurred.

14. **Right of Entry; Right to Move Vessel.** LESSOR may enter upon the Slip to inspect the Slip or the Vessel, to make repairs to the Slip and to take any actions necessary for the operation of the Marina. LESSOR may enter the Vessel to inspect the Vessel, to take any action necessary to enforce LESSEE'S covenants and agreements under this Lease, and to take any action necessary in an emergency. LESSOR may move the Vessel, after notice to the LESSEE, to make repairs to the Slip or the Marina. LESSOR may move the Vessel, without notice to the LESSEE, in connection with any action taken pursuant to paragraphs 11, 13, and 25 of this Lease or in the event of any emergency. In no way shall the providing of keys to the LESSOR constitute a bailment relationship of the Vessel.

15. **Use of Slip at LESSEE'S Risk.** LESSEE, his family, friends, relatives, crew, invitees, visitors, agents, and servants shall use the Slip and the Marina at their own risk. Except as otherwise provided by applicable law, LESSOR shall not be liable for any injury to any of the aforesaid persons.

16. **LESSEE'S Property at LESSEE'S Sole Risk.** The Vessel and all personal property of LESSEE kept at the Slip and the Marina shall be at the sole risk of the LESSEE (and the Vessel Owner, if different from LESSEE). LESSOR shall not be liable for damage to or loss of the Vessel or LESSEE'S (or Vessel Owner's) other personal property by any cause whatsoever, including, without limitation, any fire, explosion, flood, water, theft, or vandalism. LESSOR shall also not be liable for damage or loss to the Vessel or LESSEE'S (or Vessel Owner's) other personal property resulting from LESSOR having taken any action with respect thereto which LESSOR has the right to take under this Lease, including, without limitation, any mooring, moving, removal, pumping out, or raising of the Vessel pursuant to paragraphs 11, 13, and 25 of this Lease. LESSEE (and the Vessel Owner if different from LESSEE) understands and agrees that it shall be his own obligation to insure the Vessel and his other personal property. LESSOR shall not be required to maintain a watchman or any mechanical security or fire alarm system.

17. **Indemnification.** LESSEE hereby indemnifies and holds LESSOR harmless from all claims, suits, actions at law, judgments, liabilities, losses, and damages, including attorney's fees, arising from injury to any person or damage to any property caused by the LESSEE, his family, friends, relatives, crew, invitees, visitors, agents, or servants, including without limitation any injury or damage resulting from (a) negligent, careless, improper or unlawful operation, berthing, and mooring of the Vessel; (b) failure to maintain the Vessel in a safe and seaworthy condition; and (c) violation of any of the terms and conditions of this Lease.

18. **Release from Liability.** Except in the case of gross negligence on the part of LESSOR, LESSEE hereby releases LESSOR from any liability for any loss or damage to the Vessel or equipment thereon, for any inconvenience or loss of income due to any cause, and for personal injury or death to LESSEE, his family, friends, relatives, crew, invitees, visitors, agents or servants, during, or arising from, LESSEE'S stay at the Marina.

19. **Acts of God.** In the event of hurricane, tidal surge, high winds, or other acts of God, the LESSEE indemnifies and holds harmless the LESSOR against all claims, actions at law, suits, judgments, liabilities, losses, and damages incurred as a result of these.

20. **Hurricanes.** In the event that a hurricane is imminent, LESSEE is advised to remove the Vessel from the Marina and seek safer shelter. Should LESSEE leave the Vessel in the Marina, LESSEE shall be solely responsible for any damage to the Vessel as well as for any damage the Vessel causes to other vessels or property as a result of the hurricane.

21. **Payment of Bills.** LESSEE shall pay any bills and/or invoices rendered to LESSEE by LESSOR under the provisions of this Lease upon checkout. Such bills shall be paid to Port Lucaya Marina.

22. **Late Charges.** In the event LESSEE fails to pay the Slip rent or any bill rendered by LESSOR when due (including, without limitation, any bill for utilities, for services provided by the LESSOR pursuant to the provisions of this Lease, and for costs incurred by LESSOR and to be reimbursed by LESSEE pursuant to the terms of this Lease), LESSEE shall, at LESSOR'S option, pay interest thereon at the rate of one and one-half percent (1.5%) per month during such time as the rent or bill remains overdue. LESSEE shall further pay any charges, costs and fees, including reasonable attorney's fees, incurred by LESSOR in collection of overdue rent or bills.

23. **Security for Unpaid Bills.** LESSEE (or Vessel Owner, if different from LESSEE) hereby grants LESSOR a security interest in and a lien upon the Vessel for any and all monies due to LESSOR under this Lease which are outstanding, which security interest and lien may be enforced by sale of the Vessel in accordance with Bahamian law. LESSEE (or Vessel Owner, if different from LESSEE) further agrees that LESSOR shall have a maritime lien on the Vessel for all such monies due and outstanding.

24. **Default by LESSEE.** In the event LESSEE (a) fails to pay LESSOR the rent or any other amount hereunder when due, or (b) fails to comply with any covenant, agreement, condition, duty or obligation stated herein, then LESSOR may terminate this Lease under written notice to vacate, whereupon the LESSEE shall immediately remove the Vessel from the Slip and the Marina. Any termination under this paragraph 24 shall be without prejudice to any other remedies LESSOR may have against LESSEE for LESSEE'S default.

25. **Removal of Vessel on Termination.** Upon expiration or other termination of this Lease, LESSEE shall remove the Vessel and all his other personal property from the Slip and the Marina and shall vacate the Slip and Marina's premises. In the event LESSEE fails to do so, LESSOR may remove the Vessel and any of LESSEE'S personal property and store the same elsewhere, all at LESSEE'S expense and without liability to LESSEE (or Vessel Owner, if different from LESSEE) for any loss or damage thereto.

26. **Other Regulations.** LESSOR may from time to time establish individual and/or general regulations for the safety, comfort and welfare of the Marina, LESSEES, and all other persons using the Marina. LESSEE hereby agrees to observe and obey any such rules and regulations.

27. **Severability.** If any provision of this Lease, or its application to any circumstances, shall be waived or found to be invalid or unenforceable, the remaining provisions hereof, or the application of such provision to all other circumstances, shall not be affected thereby, and shall be fully valid and enforceable.

28. **Jurisdiction.** This Lease shall be governed by the laws of the Bahamas.