

MARINE CREDIT SPS /D/B/A THE SHIPYARD AT PALMAS

LEASE AGREEMENT FOR DRYSTACK, YARD STORAGE & BEACHED STORAGE

Ownership and No Assignment: The person who has signed this Agreement as Owner hereby represents and warrants that he is in fact and in law the true owner of the Vessel or the duly authorized and empowered agent of the Owner, and that he has full power and right to enter into this Agreement for himself and for the Vessel, and that there are no restrictions of any kind upon him or the Vessel which limit or restrict his right and power to bind himself and the Vessel to each and every term and condition of this Agreement. In the event of any change of ownership of the Vessel, Owner shall give notice within forty-eight hours (48) thereof in writing to Marine Credit SPS D/B/A the Shipyard at Palmas. Owner shall remain responsible to Marine Credit SPS D/B/A the Shipyard at Palmas for all sums due and owing hereunder until such new owner enters into an Agreement with Marina, or until Vessel is removed. This Agreement is not transferable or assignable in any way without the express written consent of Marina.

TERMS & CONDITIONS

Marine Credit SPS D/B/A The Shipyard at Palmas (the "Shipyard at Palmas") hereby agrees to provide the Owner (herein defined as "Owner" or "Owner's Agent") and Owner hereby agrees to accept from Shipyard at Palmas dockage or storage space at the boat Drystack or Yard assigned by Shipyard at Palmas (the "Boat Space") to be used solely for the vessel described on this license agreement (which together with all of said vessel's motors, engines, machinery, riggings, tackle, apparel, equipment, furniture, accessories and all other appurtenances hereinafter collectively referred to as (the "Vessel"), all upon the terms and subject to the conditions set forth below.

1. Unless terminated earlier pursuant to the terms hereof, this Agreement shall terminate at 11:00 a.m. on the departure date. Payment of Owner's account, including, without limitation, all Drystack or yard storage fees, must be made prior to departure.
2. The intention of the parties is to create an agreement for the use of dry stack or yard Storage or storage space in accordance with the Shipyard at Palmas Rules and Regulations. By docking the Vessel in the Dry stack or Beached, Owner has not conferred nor has the Shipyard at Palmas accepted neither custody nor control of the Vessel.
3. The Shipyard at Palmas Rules and Regulations, are incorporated herein by reference and made a part hereof. The Shipyard at Palmas reserves the right to alter, amend and modify these Rules and Regulations at any time by posting new ones at the Shipyard at Palmas office or by furnishing Owner or person in charge of the Vessel with a copy of the new Rules and Regulations. Owner and his agents, guests, invitees and employees shall comply with the Rules and Regulations of the Shipyard at Palmas and shall also comply with and conform to the laws, regulations and rules of the Commonwealth of Puerto Rico and the United States of America as and to the extent they may be applicable.

4. Owner warrants and represents that all times during the term of this Agreement; the Vessel shall be maintained in a safe and seaworthy condition by Owner and shall be operated in a careful and safe manner so as not to cause damage to the Shipyard at Palmas facilities or to any other property, vessel or persons. OWNER AUTHORIZES the Shipyard at Palmas TO TAKE APPROPRIATE ACTIONS AS the Shipyard at Palmas SHALL DETERMINE IN ITS SOLE DISCRETION INCLUDING, WITHOUT LIMITATION, REMOVING THE VESSEL FROM the Shipyard at Palmas PREMISES AT OWNER'S SOLE RISK AND EXPENSE TO ABATE, MITIGATE AND OTHERWISE DEAL WITH THE DANGER AND HAZARDS THAT IN the Shipyard at Palmas JUDGMENT APPEAR TO BE PRESENT OR FORESEEABLE BY REASON OF ANY UNSAFE OR UNSEAWORTHY CONDITION OF THE VESSEL OR THE OPERATION OF THE VESSEL IN AN UNSAFE MANNER OR OTHERWISE. NOTWITHSTANDING THE ABOVE, NOTHING HEREIN SHALL BE CONSTRUED TO CREATE ANY DUTY, OBLIGATION OR RESPONSIBILITY ON THE PART OF the Shipyard at Palmas TO ACT IN SUCH CIRCUMSTANCES AND NOTHING HEREIN SHALL BE CONSTRUED TO CREATE ANY LIABILITY ON THE PART OF the Shipyard at Palmas FOR FAILING TO ACT IN SUCH CIRCUMSTANCES.
5. Security of the Vessel: The Shipyard at Palmas assumes no responsibility for and shall not be liable for the care, protection and security of the Vessel. Owner understands that the facilities at the Shipyard at Palmas are still under construction and have not been fully tested nor inspected. Use of the Boat Space and other facilities of the Shipyard at Palmas (including utilities) shall be at the sole risk of Owner and the Vessel's Parties. Owner hereby releases and discharges the Shipyard at Palmas and agrees to indemnify and hold the Shipyard at Palmas harmless from and against any and all liabilities and claims by reason of any intrusion, theft, vandalism, arson or other criminal or terrorist acts of any kind or degree on or about the Vessel whether on land or by water. If Owner shall permit any other person to use the Vessel by way of charter (which includes hire or loan), such person shall produce to the Shipyard at Palmas written evidence of such agreement, failing to produce such written evidence, the Shipyard at Palmas reserves the right to prevent the departure of the Vessel.
6. OWNER HEREBY GRANTS TO The Shipyard at Palmas A LIEN ON THE VESSEL AND A SECURITY INTEREST THEREIN TO SECURE THE PAYMENT OF ANY AND ALL dry stack or yard storage fees and or beached fees, CHARGES OR OTHER SUMS DUE HEREUNDER AND FOR ANY OTHER SERVICES OR MATERIALS RENDERED OR SUPPLIED TO OWNER BY OR ON BEHALF OF the Shipyard at Palmas. This lien shall be in addition to any other remedies otherwise available to the Shipyard at Palmas hereunder or at law or in equity. It is specifically agreed that the use of the assigned Boat Space and all services or materials provided to Owner by or on behalf of the Shipyard at Palmas are provided to the Vessel for the credit of the Vessel, and it is understood between the parties hereto that the Shipyard at Palmas is relying primarily upon the credit of the Vessel for the enforcement of its claim for dry stack, yard storage and beach storage and Storage Fees and charges for other services or materials supplied to the Vessel. In any action, in rem or in person, by the Shipyard at Palmas to enforce a lien of whatever nature, any bond posted pursuant to law releasing the Vessel to Owner shall include an amount sufficient to cover the Shipyard at Palmas reasonable attorney's fees and costs provided that the Shipyard at Palmas may have the amount of any bond posted increased to ensure the posted amount adequately covers all amounts claimed, including interest, costs and attorney's fees without any limitation to any right or remedy the Shipyard at Palmas may have, whether at law or in equity. Owner agrees to the Shipyard at Palmas use of Federal Admiralty procedure in rem under Supplemental Admiralty Rule C and subject to a non-judicial sale in the event of non-payment of rent and service fees.

7. Owner, at his sole cost and expense, agrees to procure and maintain in force during the entire term of this Agreement Hull and Protection and Indemnity Insurance covering the Vessel and protecting Owner and the Shipyard at Palmas against all claims, demands, suits and judgments in policy amounts of not less than \$300,000 for claims arising within the coverage of said policies. Owner's insurance policy shall specifically cover the risks undertaken in Paragraph 10 of this Agreement and the Shipyard at Palmas shall be named as an additional insured. Such insurance policies shall provide that the Shipyard at Palmas shall receive at least thirty (30) days written notice prior to cancellation thereof. Certificates or certified copies of said insurance policies shall be provided to Marina upon demand.

8. Storms and Other Emergencies: The Owner shall make suitable arrangements for safe, sheltered anchorage during tropical storms, hurricanes or other inclement weather and Owner hereby warrants such arrangements have or will be made. Owner may not assume that the Shipyard at Palmas premises will be a safe, sheltered anchorage during tropical storms or hurricanes. In the event of any impending tropical storm, hurricane or other emergency, the Shipyard at Palmas in its sole discretion, reserves the right to move or secure any unattended vessels at Owner's sole risk and expense. UNDERTAKING TO MOVE OR SECURE THE VESSEL SHALL NOT BE DEEMED AN ASSUMPTION OF RESPONSIBILITY FOR THE SAFETY, SECURITY AND CARE OF THE VESSEL BY the Shipyard at Palmas, NOR SHALL the Shipyard at Palmas BE DEEMED A BAILEE OF THE VESSEL. Owner of any unattended vessel left in the Shipyard at Palmas during hurricane season must (1) provide the Shipyard at Palmas with name, address and telephone number of caretakers authorized to secure or remove Vessel from the Shipyard at Palmas and (2) provide proof of insurance.

9. Indemnity and Disclaimer: The Shipyard at Palmas will attempt to furnish regular and uninterrupted electric and water service, but it cannot guarantee either, primarily because the Shipyard at Palmas obtains its electricity and water from the local water and power authority which provides no such guarantee. Therefore, the Shipyard at Palmas disclaims any liability to the Vessel, the Vessel's parties and others for all loss, damage or injury to persons or to property arising out of or in any way connected with its acts, omissions, or negligence in furnishing electricity and water, except in the events such loss, damage or injury is directly and solely the result of the Shipyard at Palmas willful misconduct or gross negligence.

10. Owner shall be liable for all damages to the Boat Space and other facilities owned by the Shipyard at Palmas and other boats or vessels or persons on or about the Shipyard at Palmas premises caused by the Vessel, Owner's employees, family, agents, invitees or guests (collectively referred to as the "Vessel's Parties"). Owner, for himself, his heirs and assigns, hereby agrees to indemnify, save and hold harmless the Shipyard at Palmas and any of their respective affiliates and their respective successors and assigns from and against any and all loss, damage, liability, claims, demands, or suits of any nature whatsoever arising out of or in any way connected with the use of the Shipyard at Palmas facilities by any of the Vessel's Parties, the moving of the Vessel or Owner's car or personal property in or around the Shipyard at Palmas premises, or arising out of or in any way connected with any services rendered or to be rendered or materials furnished or to be furnished to any of the Vessel's Parties, or otherwise connected with this Agreement, WHETHER LOSS OR DAMAGE IS TO PROPERTY OWNED OR LEASED BY the Shipyard at Palmas, OR ANY OTHER PERSONS PROPERTY OR TO PERSONS ON OR ABOUT the Shipyard at Palmas PREMISES (INCLUDING, WITHOUT LIMITATION, ANY OF THE VESSEL'S PARTIES) AND WHETHER SUCH LOSS IS THE RESULT OF THE NEGLIGENCE OF the Shipyard at Palmas OR the

Shipyard at Palmas AGENTS OR EMPLOYEES, EXCEPT IN THE EVENT SUCH LOSS OR DAMAGE IS DIRECTLY AND SOLELY THE RESULT OF THE WILLFUL MISCONDUCT OF the Shipyard at Palmas OR ITS AUTHORIZED AGENTS OR EMPLOYEES. Further, Owner, for himself, his heirs and assigns, hereby releases and hold harmless the Shipyard at Palmas Operators and the Shipyard at Palmas Owners and any of their respective affiliates and their respective successors and assigns from any and all liability for loss or damage of whatever nature to the Vessel or other property belonging to or in the custody of any of the Vessel's Parties, arising out of or in any way connected with (i) fire, theft, collision, hurricane, conditions of tide, wind current, Acts of God or other natural forces, or (ii) ACTS OR OMISSIONS OF the Shipyard at Palmas OR the Shipyard at Palmas AGENTS OR EMPLOYEES, OR THE NEGLIGENCE OF ANY OF SUCH PARTIES, EXCEPT IN THE EVENT SUCH LOSS OR DAMAGE IS DIRECTLY AND SOLELY THE RESULT OF THE WILLFUL MISCONDUCT OF the Shipyard at Palmas OR ANY OF ITS AUTHORIZED AGENTS OR EMPLOYEES.

11. Apparent Authority: Owner agrees that, unless the Shipyard at Palmas is otherwise notified in advance in writing, anyone in possession of or apparent charge of the Vessel shall be deemed to have the authority to act on behalf of Owner and the Shipyard at Palmas shall be entitled to accept and act in reliance upon orders or requests by such persons for services, supplies, work, labor and other material of any kind for the benefit of Vessel.
12. Notwithstanding any contrary provision contained herein, the Shipyard at Palmas may terminate this Agreement for any reason (with or without cause) upon written notice to Owner given in accordance with Section 16 hereof. Owner agrees that at the end of the term of this Agreement or upon termination of this Agreement as provided herein, Owner will remove the Vessel from the Boat Space in a careful, seamanlike manner, leaving all facilities and utilities in good order and condition, reasonable wear and tear excepted. Owner agrees that if he fails to remove the Vessel by 11:00 a.m. on the departure date, Owner shall be charged for an extra full day of dry stack storage, Yard Storage or Beached storage or dockage. NOTWITHSTANDING ANYTHING CONTAINED IN THIS AGREEMENT TO THE CONTRARY, OWNER SHALL NOT HAVE THE RIGHT TO REMOVE THE VESSEL OR ANY PART THEREOF FROM the Shipyard at Palmas PREMISES UNTIL ALL dry stack fees, yard storage fees and beached storage fees or DOCKAGE FEES, OTHER CHARGES AND LIENS OWING BY OWNER HEREUNDER HAVE BEEN PAID TO the Shipyard at Palmas AND OWNER HEREBY GRANTS the Shipyard at Palmas THE RIGHT TO PLACE A LOCK ON THE Dry stack space, yard space and beached space OF THE VESSEL UNTIL SUCH TIME AS ALL SUCH MONIES OWED TO the Shipyard at Palmas HAVE BEEN PAID IN FULL, SUCH REMEDY BEING IN ADDITION TO ANY OTHER REMEDIES AVAILABLE TO the Shipyard at Palmas HEREUNDER AT LAW OR IN EQUITY.
13. Pollution: Owner represents and warrants that Owner and Vessel shall comply in all respects with Federal Water Pollution Acts (33 U.S.C. Section 1321 - prohibiting discharge of oil or oily water; 33 U.S.C. Section 1322 - prohibiting discharge of untreated sewage and all other applicable Federal and State laws and regulations.
14. Vessel Away from Boat Space: Owner shall advise the Shipyard at Palmas when he expects the Vessel to be away from the Boat Space and the expected date of return of the Vessel. The Shipyard at Palmas reserves the right to rent the Boat Space when vacant and all revenues received from such rental shall inure to the Shipyard at Palmas.

- 15. Reassignment to Boat Space:** The Shipyard at Palmas reserves the right, at its sole discretion, to reassign, move or transfer the Vessel from rack to rack, rack to yard, yard to beached storage and or dockage as deemed necessary by the Shipyard at Palmas. Subleasing of racks and transferring boats between racks is not allowed except by the Shipyard at Palmas.
- 16. Notices:** Notices to Owner shall be deemed to be served properly if posted in writing addressed to Owner at a place and in a manner on the Vessel which is reasonably susceptible of giving notice to anyone lawfully boarding the Vessel or, in lieu thereof, upon depositing in the US. Mail written notice to Owner, registered or certified, postage prepaid, to Owner's Billing Address as shown on the Registration Card or via e mail to owners e mail address. Notice to the Shipyard at Palmas shall be deemed served only if given in writing and delivered personally to the Director of the Shipyard at Palmas Operations or mailed by registered or certified mail, postage prepaid, return receipt requested to the Director of the Shipyard at Palmas Operations.
- 17. Governing Law, Venue, and Limitation of Actions:** This Agreement shall be governed by, construed and enforced in accordance with the Laws of the Commonwealth of Puerto Rico and the United States of America. Any action at law, suit in equity, or other judicial proceeding relating to or concerning this Agreement shall be instituted and prosecuted in the Commonwealth or the United States District Court for the District of Puerto Rico and each party waives any right to change of venue. EVERY ACTION AT LAW, SUIT IN EQUITY OR OTHER JUDICIAL PROCEEDING TO ENFORCE THE PROVISIONS OF THIS AGREEMENT OR FOR THE BREACH THEREOF OR FOR ANY ACT, OMISSION OR NEGLIGENCE ARISING OUT OF OR RELATING TO THIS AGREEMENT SHALL BE BARRED UNLESS IT IS COMMENCED AND PROCESS IS SERVED WITHIN ONE YEAR AFTER THE COURSE OF ACTION HAS ACCRUED, AND IN NO EVENT SHALL ANY SUCH ACTION, SUIT OR PROCEEDING BE MAINTAINED UNLESS IT IS COMMENCED WITHIN TWO YEARS FROM THE DATE OF EXECUTION OF THIS AGREEMENT.
- 18. Partial Invalidity, No Implied Waivers and Entire Understanding:** If any portion of this Agreement shall be deemed or declared unenforceable, the remaining portions of this Agreement shall remain in full force and effect. No course of dealing nor any failure or delay with respect to exempting any right, power or privilege under this Agreement shall operate as a waiver thereof. This Agreement, the Registration Card, and the Shipyard at Palmas Rules and Regulations, as amended from time to time, set forth the entire understanding of the parties hereto and no representations, promise, inducement or statement of intention relating to the subject matter hereof has been made by any party which is not set forth therein. Except as otherwise provided herein, this Agreement shall not be modified, altered or amended except by an instrument in writing signed by or on behalf of the parties hereto.
- 19. Assignment:** Owner shall not assign this Agreement (including assignment to any purchaser of Vessel during the term of this Agreement) to any other person or entity without the Shipyard at Palmas prior written consent. Any attempt to assign or assignment of this Agreement by Owner in violation of this Agreement shall be void and unenforceable and shall excuse the Shipyard at Palmas from further performance of this Agreement and shall terminate this Agreement. Owner shall not substitute another vessel for the Vessel described on the Registration Card without prior written consent of the Shipyard at Palmas.

20. Construction of Terms: The terms used in this Agreement and the Rules and Regulations shall be interchangeable and have the meaning prescribed to all such terms in all such documents. The use of the masculine gender shall be construed to include the feminine gender. The use of the singular form of expression shall be construed to include the plural, as required by the context.
21. Attorney's Fees: Should it become necessary for the Shipyard at Palmas to obtain the services of a collection agency or attorney to collect sums due and owing hereunder, or to enforce the liens of the Shipyard at Palmas, or to enforce any other provision of this Agreement, then Owner shall pay all costs and expenses, including reasonable attorney's fees, and all court costs incurred by the Shipyard at Palmas.
22. Acknowledgment: **Owner hereby acknowledges that Owner has read and fully understands this Lease Agreement for Dry stack Storage, Yard Storage and Beached Storage and the Shipyard at Palmas Rules and Regulations.**