

DRY STACK & LAND STORAGE
BOAT SPACE LICENSE AGREEMENT-TERMS AND CONDITIONS
****PLEASE, READ CAREFULLY BEFORE YOU SIGN**!!!!**

1. Marina facilities means the **Varadero @ Palmas, Inc.** docks, dry stack, boatyard, parking, structures, etc., located at **Palmas del Mar** Humacao, Puerto Rico.
2. Upon execution of this Agreement for an annual term (or seasonal term for Land Storage), owner will deliver to Marina as security for the faithful performance of the terms of this Agreement, a sum of money equal to one month's charge which shall be returned to the boat owner without interest at the end of this Agreement only upon owner's compliance with the covenants and conditions contained in this Agreement unless either party gives written notice to the other at least twenty (20) days prior to the expiration of the term of this Agreement, this Agreement shall be extended for an additional term of one (1) year at the rates posted at that time. It is mutually agreed that there will be no refund of the unused portion of any monthly charge when this Agreement is terminated by the owner.
3. Dockage/Storage charges are due monthly in advance. All checks must be drawn on U.S. or P.R. banks. Returned checks will carry a service charge. In case of non-payment for 10 days or more, Marina may charge account to owner's credit card including a service charge of 5%. Boats which the dockage/storage charges are not paid within sixty (60) days of due date will incur daily (lay day) rather than monthly charges until the account is brought up to date. For agreements for less than three (3) months, payment must be made by cash in advance or open major credit card. Posted rates may be changed from time to time at Marina's sole discretion.
4. All Dry Stack and Land Storage payments are due the first (1st) day of each month. Varadero @ Palmas, Inc. gives to our customers 9 days grace; after day 10 of each month a \$25.00 late fee charge applies.
5. Boats with balances due may not leave the **Varadero @ Palmas, Inc.** facility until the debt is paid in full.
6. If an account is not paid when due, Owner shall be in a default under this Agreement. In the event of default or failure by owner to pay any indebtedness to Marina, Marina shall have the right to secure the boat and/or remove it until all amounts then due are paid in full. Owner shall be liable to Marina for any damages Marina may suffer as a result of the owner's default. Marina's Rules and Regulations and Hurricane Guidelines ("Regulations") which are posted at the Marina's office are incorporated herein by reference and made a part hereof. Marina shall reserve the right to amend or modify these regulations at any times by posting new ones at Marina's office or by furnishing owner or person in charge of the vessel a copy of the new regulations. Owner and his agents, guests, invitees and employees shall comply with the regulations of Marina and shall also comply with and conform to the laws, regulations and rules of Puerto Rico and the United States, as and to the extent that they may be applicable. Owner acknowledges receipt of Regulations.
7. Owner agrees to maintain Yacht Insurance at all times while his vessel is in the Marina facilities. This insurance shall consist of limits not less than \$300,000 for Protection & Indemnity (General Liability) and hull, coverage shall be carried for the market value of the vessel. This insurance shall be contracted with A Best rated insurance company or Lloyds of London and shall include an endorsement whereby the Marina is an additional insured and a certificate holder. This endorsement with copy of policy (ices) shall be delivered at Marina's office or sent to the Marina at **110 Harbour Drive #11 Palmas Del Mar, Humacao PR 00791**. Failure to carry adequate or proper insurance or the agreed endorsement will confirm the intention of the vessel owner to self insurance, and vessel owner shall be deemed to be the insurer, and owner shall indemnify and hold Marina harmless from any claim, loss or liability due to owner's failure to cover Marina under the required insurance.
8. Owner shall be liable for damage to underwater gear such as fathometers, transducers, trim tabs, grounding plates, inboard propellers, shafts, struts or keels which are not visible to the forklift or hauling operators. Damage to projections, which may impact racks or roofs, such as antennas, radars equipment, mounts, outriggers, or convertible tops left in an upright position shall be the sole responsibility of owner.

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9. Dry Stack storage rates includes in/out once per day and use of wash or repair rack once per week on space available basis. Boats may not be left unattended at launch docks without the express approval of the Marina. Marina shall not liable for normal wear and tear of dry stack operations which may result in minor scratches and wear of hull. Owner is responsible for verifying that assigned cradle or rack is suitable for the vessel. By executing this Agreement Owner certifies that Owner has inspected (and will inspect from time to time) the assigned cradle/rack and further certifies that the cradle conforms to the boat manufacturer's recommendations for dry storage. If owner deems cradle/rack is unsuitable, owner shall provide Marina with boat builder's graving plan and request and pay for special rack/cradle. For vessels which may be hauled out and/or stored on land, owner agrees to supply Marina with boat builders dry docking or graving plans ("Plans"). Owner assume all responsibility for damage to the vessel from placements of slings, forks, blocks, racks, cradles or jackstands in the absence of Plans, and hold Marina harmless for any such damages.
10. Owner agrees that any claim or loss by owner, or related to owner or his vessel, shall be first paid by owner from owner's insurance.
11. Owner may work on his own boat if such work does not interfere with the rights, privileges and safety of other persons or property. Marina reserves the right to require any mechanic or repair service or any other persons performing any work on owner's boat while on the premises to provide Marina with a standard certificate of workmen's compensation, including Marina as "statutory employer", and liability insurance coverage (including "Pollution") equal to the coverage carried by the Marina in order to protect the health, safety, welfare and property of Marina, other boat owners, and the public. Failure to meet these and/or other Marina Regulations and requirements may result in the repair person being refused access to the Marina. Outside contractors may be charged a fee to cover use of facilities, security and clean-up. Owner must notify Marina in advance on any work to be done by outside contractors.
12. Owner and/ or boat shall be responsible for damaged caused by the boat and/or owner to Marina facilities or other boats. Owner agrees to pay tickets issued to owner or his vessel by Marina's Dock master (or other official) for any violation of Marina's regulations.
13. Owner acknowledges that neither this Agreement nor the assignment of any slip, rack or location ("space") entitles the owner's boats to the use of a specific space. This Agreement entitles owner only to the use of space of sufficient size for the boat. Space assignments may be changed by Marina from time to time to make the best use of the available spaces. Marina may arranged for rebirthing of the boat upon given notice. This license confers no interest whatsoever in property and is revocable by Marina at any time upon giving or sending written notice to owner.
14. This Agreement is not assignable and space may not be sublet by the owner. The boat space may not be used by an owner or boat other than as specified in this Agreement. This license is for pleasure vessels only.
15. Owner warrants and represents that at all times during the term of this Agreement, the boat shall be maintained in a clean and safe condition by owner, be lawfully registered and marked, have a tidy appearance and shall be operated in a careful and safe manner and diligent so as not to cause damage to Marina's facilities or any other property, boats or persons. Owner authorizes Marina to take appropriate actions as Marina shall determine at its sole discretion, including, without limitation, hauling and/or moving the boat, at owner's sole risk and expenses, to abate, mitigate and otherwise deal with the danger and hazards that in Marina's judgment appear to be a present or foreseeable by reason of any unsafe condition of the boat, or the operation of the boat in an unsafe manner, or a dangerous weather or otherwise. Notwithstanding the above, nothing herein shall be construed to create any duty, obligation or responsibility on the part of Marina to act in such circumstances. Any charges for such services will be paid by owner.
16. Marina assumes no responsibility for and shall not be liable for the care, protection and security of the boat and its gear and contents. Uses of the space or any other facilities of Marina or other authorized amenities are at the sole risk of owner. Should Marina accept responsibility or be held liable by a Court with jurisdiction thereof, for damage to any vessel, Marina may affect such repair by contractor(s) chosen by Marina. In no event will Marina be liable for damages exceeding the actual market value of the boat at the time of the occurrence. The Marina shall not be liable for consequential damages such as loss of income, mental anguish, cost of rental, etc. In the event owner claims "total loss" of the vessel and decides to sell the vessel for salvage value, the Marina shall have the right of first refusal to acquire the vessel.

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17. **Owner hereby grants to Marina a maritime lien on the boat and a security interest therein to secure the payment of any and all dockage fees, charges or other sums due hereunder and for any other services or materials rendered or supplied to owner by or on behalf of Marina.** This lien shall be in addition to other any remedies otherwise available to Marina hereunder or at law or in equity. The maritime lien shall include an additional amount equal to 25% of the debt to cover attorney's fees in the event collection is required.
18. All claims and disputes relating to this Agreement, or the breach thereof shall be governed by the Maritime Law of Puerto Rico and all actions relating thereto shall be filled in Admiralty in the United States District Court for the District of Puerto Rico. If for any reason, the agreed forum (U.S. District Court) is not available, then such actions shall be filled in the Court of First Instance in Humacao, Puerto Rico. Marina may file collection actions in either forum.
19. Should owner breach this Agreement (incl. Regulations), this license may be terminated immediately by Marina who may remove the boat at owner's risk and expense.
20. Owner acknowledges and agrees that Marina is not responsible for materials and/or services provided by Boatyard independents contractors and/or other lessees or concessionaires of Marina, which are deemed to be independent businesses.
21. The owner will be responsible for notifying to Varadero's administrative office **in writing with 30 days in advance** its intention to terminate this contract. If the customer fails to comply with this rule Varadero will continue billing and collecting monthly until the receipt of such notice. **The amounts collected will not be refunded, nor give credit for these.**
22. The person named custodian on the Agreement has the exclusive responsibility, care, custody, control and access to the boat, its gear, equipment, contents and personal property at all times. Owner hereby:
 Declines _____ Accepts _____, Marina's custody services offered at additional charge. Should Marina become custodian, its responsibility will be limited to the depreciated cost of inventoried items.
23. If any part of this Agreement shall be held to be illegal or unenforceable, only such part shall be null. The balance of this Agreement shall remain in full force and effect.
24. "Notice" shall mean communication by U.S. Mail, Fed Ex, e-mail, fax or telephone. "Written notice" shall mean communications by U.S. Mail (certified-return receipt requested) fax or Fed Ex. All notices shall be sent to the addresses shown on this Agreement.

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