

LEASE AGREEMENT

COPY

This Lease is made on this 6th day of June, 1995 by and between **THE TOWN OF JAMESTOWN**, a municipal corporation organized under the laws of the State of Rhode Island, herein called Lessor, and **CONANICUT MARINE SERVICES, INC.**, a Rhode Island Business Corporation, herein called Lessee, upon the following **TERMS** and **CONDITIONS**.

LEASE / USE

Lessor does by these presents lease and demise unto the Lessee that certain area and water rights bounded by the south face of the Town owned steel pier breakwater, hereinafter called "steel pier", south to the north face of the Town owned wood pier and Town owned property on the East Ferry waterfront in the Town of Jamestown, State of Rhode Island, as is more particularly shown on the attached Marina Perimeter Plan dated 12/05/94, which is incorporated by reference herein, for the construction, maintenance and operation of a marina together with the right of the Lessee to place dockage attachments to the steel pier and the right to use the basin for a marina.

Lessee shall have the right to use the steel pier surface, subject to the right of the general public to have reasonable use of the same as may be regulated from time to time by Lessor. Lessee shall also have the right to keep and maintain the dock master building and associated equipment in its current location.

Further, Lessee shall also have the right to use the Town owned wood pier, subject to the right of the general public to have reasonable use of the same as may be regulated from time to time by Lessor, and the northern face of the steel pier as it exists as of the date hereof for use as a rental for commercial vessels and pleasure vessels in concert, either on a seasonal rental or on a daily rental basis; provided, however, that the dockage fee rate for the Town wood pier and the northern face of the steel pier shall be set each year by the Jamestown Harbor Management Commission.

TERM OF LEASE

The initial term of this Lease shall be Ten (10) Years from the date hereof. The Lessee shall have the right to renew this lease for one (1) Ten Year renewal period; provided that Lessor and Lessee shall mutually agree on the rent and other terms for the

renewal term. Such option to renew shall be exercised by the Lessee by giving written notice to the Lessor not more than six (6) nor less than three (3) months prior to the expiration of the then existing term.

RENT

The Lessee covenants and agrees to pay rent as follows:

(a) To pay an initial fixed rent of Fourteen Thousand Dollars (\$14,000.00) per year for the entire demised premises. This fixed rent shall be subject to increase each year, by February 1 of each year, based upon the percentage increase in Lessee's published or actual seasonal per foot slip rental fees and dockage fees, whichever is higher, with slip rentals being weighted ninety percent (90%) and dockage fees being weighted ten percent (10%), over the rate currently in effect. Rent payable under this Lease shall be payable by February 1 of each year. Lessee shall provide to Lessor a report by February 1 of each year listing the published slip rental and dockage fees.

(b) Lessee shall continue to pay all real estate taxes, personal property taxes and other charges assessed by the Town of Jamestown, the State of Rhode Island and the United States of America and shall maintain proper insurance upon its properties with the Town of Jamestown being named as an additional named insured.

CHANGES TO DEMISED PREMISES

If Lessor changes the Marina Perimeter Plan so as to make available to Lessee more or less linear feet of floating slips from the current amount, which is approximately 1,270 linear feet, the fixed rental shall be adjusted, based upon the percentage increase or decrease in such linear feet, as the case may be. The Lessor reserves the right to change or modify said Marina Perimeter Plan; provided Lessor shall not reduce the number of linear feet of floating slips to below 953 linear feet.

CARE AND MAINTENANCE OF PREMISES

Lessee acknowledges that the premises are in good order and repair, unless otherwise indicated on the attached listing. Lessee, shall, at its own expense and at all times, maintain the premises in good and safe condition, and shall surrender the same at termination hereof, in as good condition as received, normal wear and tear excepted. Lessee shall be responsible for all maintenance and repairs required except for major capital

repairs to the steel pier or the wood pier, as may be approved by the Jamestown Harbor Management Commission in the future. A major capital repair is defined as any single item in excess of \$2,500.00 at Lessee's actual cost for such item, said \$2,500.00 figure shall be in December 1994, dollars and shall be adjusted annually in accordance with the Consumer Price Index published for Boston, Massachusetts. Lessee shall be responsible for all repair, maintenance and, if necessary, removal or replacement of the three (3) fuel tanks presently located under Memorial Square. If Lessor changes the demised premises in such a way as to significantly increase the protection of the basin from wave action, the rent shall be increased by an amount equal to (i) One Thousand Dollars (\$1,000.00) plus (ii) any percentage increase in slip rental rates as determined under that paragraph entitled "Rent", above. Such additional rent shall thereafter be subject to further increase on the basis set forth in said paragraph entitled "Rent", above.

PUMP OUT STATION

Lessee shall continue to have access to the sewage pump-out station at the wood pier, subject to the payment of the same fee charged to the general public, if any.

ALTERATIONS

Lessee shall not, without first obtaining the written consent of Lessor, make any alterations, additions, or improvements, in, to or about the premises.

ORDINANCES AND STATUTES

Lessee shall comply with all statutes, ordinances and requirements of all municipal, state and federal authorities now in force, or which may hereafter be in force, pertaining to the premises, occasioned by or affecting the use thereof by Lessee.

ASSIGNMENT AND SUBLETTING

Lessee shall not assign this lease or sublet any portion of the demised premises without the prior written consent of the Lessor. Any such assignment or subletting without consent shall be void and, at the option of the Lessor, may terminate this Lease. Assignment or sublet shall be deemed to include any transfer of stock of CONANICUT MARINE SERVICES, INC. which results in William S. Munger and Marilyn

Munger, and/or their children or grandchildren, owning less than 51% of the issued stock of the corporation.

UTILITIES

All applications and connections for necessary utility services on the demised premises shall be made in the name of the Lessee only, and Lessee shall be solely liable for all utility charges for the demised premises, including both the steel pier and the wood pier, as they become due, including those for water, sewer, gas, and/or electricity as long as electric metering is provided by Lessor.

ENTRY AND INSPECTION

Lessee shall permit Lessor or Lessor's agents to enter upon the premises at reasonable times and upon reasonable notice, for the purpose of inspecting the same, and will permit Lessor at any time within sixty (60) days prior to the expiration of this lease, if not renewed, to place upon the premises any usual "For Lease" signs, and permit persons desiring to lease the same to inspect the premises thereafter.

INDEMNIFICATION OF LESSOR

Lessor shall not be liable for any damage or injury to Lessee, or any other person, or to any property, occurring on the demised premises or any part thereof, unless any damage or injury occurs as a direct result of an act or omission of Lessor, and Lessee agrees to hold Lessor harmless from any claim for damages, no matter how caused.

PUBLIC LIABILITY INSURANCE

Lessee shall, at its own expense, obtain and maintain, in continuous effect during the term of this lease, a policy or policies of insurance with such company or companies satisfactory to Lessor, insuring against public liability on the demised premises, in amounts of not less than One Million (\$1,000,000.00) Dollars per person, and Two Million (\$2,000,000.00) Dollars per accident, and against property damage in an amount of not less than One Hundred Thousand (\$100,000.00) Dollars. The Lessor shall be named as an insured in such insurance, and the certificate or certificates of such insurance shall be

delivered to the Lessor. Said insurance shall not be cancelable, except upon ten (10) days' written notice to the Lessor.

DESTRUCTION OF PREMISES

In the event of a partial destruction of the premises during the term hereof, from any cause, Lessor may elect to repair the same, provided that such repairs can be made within sixty (60) days under existing governmental laws and regulations, but such partial destruction shall not terminate this Lease, except that Lessee shall be entitled to a proportionate reduction of rent while such repairs are being made, based upon the extent to which the making of such repairs shall interfere with the business of Lessee on the premises. In the event that repairs cannot be made within sixty (60) days, Lessor, may, at its option, either make the repairs within a reasonable time, this Lease continuing in effect with the rent proportionately abated as aforesaid, or terminate the Lease.

LESSOR'S REMEDIES ON DEFAULT

If Lessee defaults in the payment of rent, or any additional rent, or defaults in the performance of any of the other covenants or conditions hereof, Lessor may give Lessee notice of such default and, if Lessee does not cure any such default within ten (10) days, after the giving of such notice (or if such other default is of such nature that it cannot be completely cured within that period, if Lessee does not commence such curing within such 10 days and thereafter proceed with reasonable diligence and in good faith to cure such default), then Lessor may terminate this lease. On the date specified in such notice the term of this Lease shall terminate, and Lessee shall then quit and surrender the premises to Lessor. If this Lease shall have been so terminated by Lessor, Lessor may at any time thereafter resume possession of the premises by any lawful means and remove Lessee or other occupants and their effects. If the Lessee shall be declared insolvent according to law, or if a receiver or other similar officer shall be appointed to take charge of the Lessee's property, or a substantial part thereof, then, and in each of the said cases, the Lessor lawfully may (notwithstanding any license of any former breach of covenant or waiver of the benefit hereof or consent in a former instance) immediately or at any time thereafter while such default or other situation as aforesaid continues, and without further demand or notice, enter into and upon the demised premises or any part thereof in the name of the whole and repossess the same and expel the Lessee and those claiming through or under the Lessee and remove its effects, at Lessee's expense, without being deemed guilty of any

manner of trespass, and without prejudice to any remedies which might otherwise be used for arrears of rent or preceding breach of covenant; and, upon entry as aforesaid, this Lease shall terminate, and the Lessee shall remain obligated for all rental monies due for the remainder of the term. No failure to enforce any term of this Lease shall be deemed a waiver. Lessee agrees that Lessor shall have a security interest in, and a lien upon all docks and personal property of Lessee for any and all monies due to Lessor, which are, from time to time during the time hereof, outstanding, which lien and/or security interest may be enforced by the sale of said property in accordance with the provisions and procedures set forth in Title 6A, Chapter 9 of the General Laws of Rhode Island 1956, as amended.

ATTORNEY'S FEES


In case suit should be brought for the recovery of the premises, or for any sum due hereunder, or because of any act which may arise out of the possession of the premises, by either party, the prevailing party shall be entitled to all costs incurred in connection with such action, including a reasonable attorney's fee.

ENTIRE AGREEMENT


The foregoing constitutes the entire agreement between the parties and may be modified only by a writing signed by both parties.

IN WITNESS WHEREOF THE PARTIES HAVE EXECUTED THIS LEASE IN TRIPLICATE ON THE DATE FIRST ABOVE WRITTEN.

TOWN OF JAMESTOWN

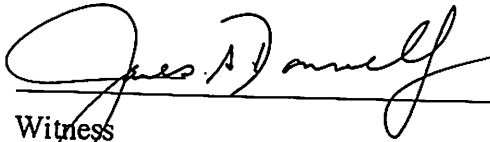


Witness

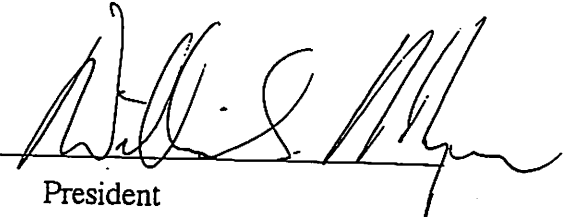
BY: 

President of Town Council

CONANICUT MARINE
SERVICES, INC.

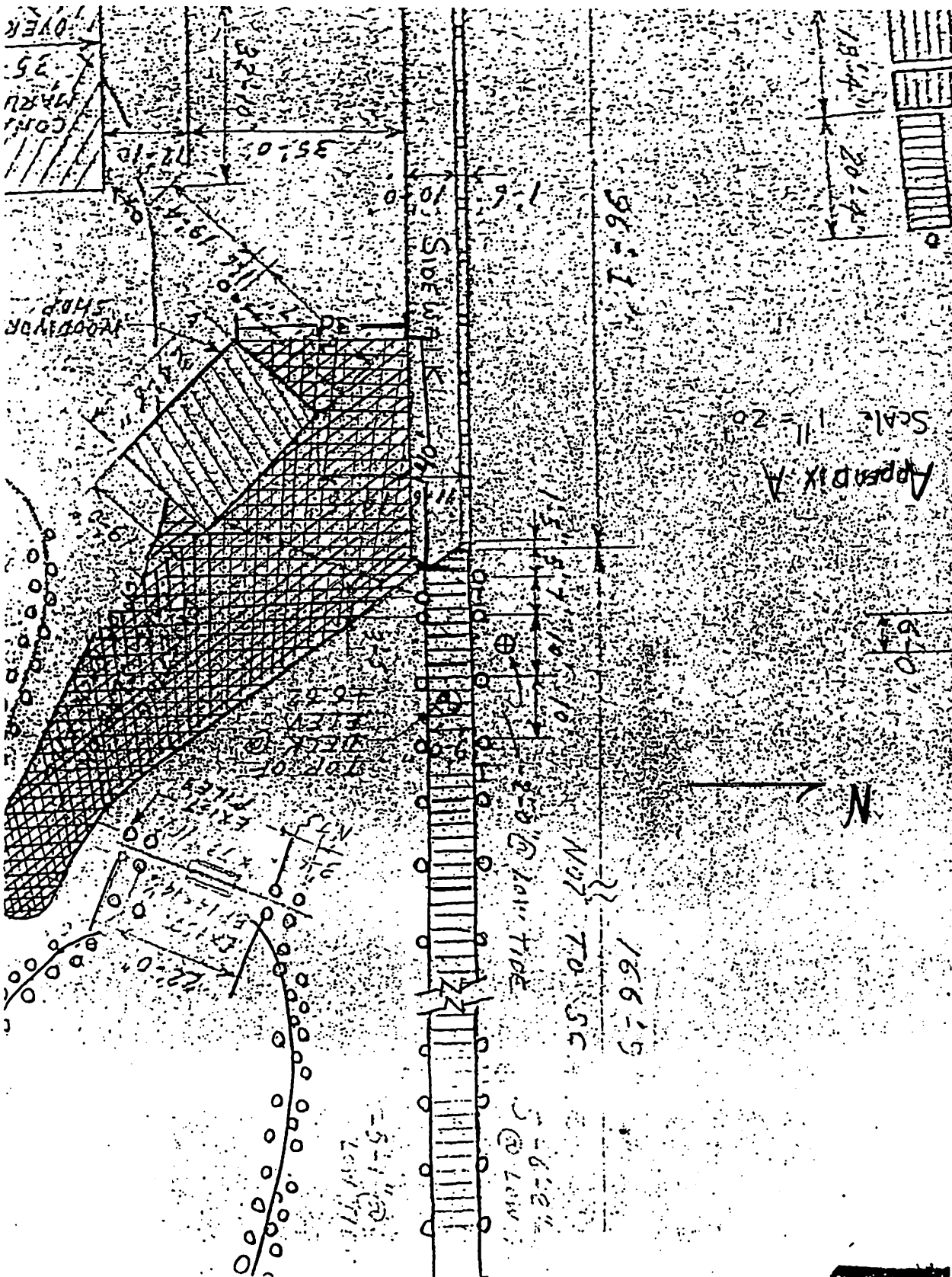


Witness

BY: 

President

Cross hatch Area Represents Leased Area
 EAST FERRY FREIGHT SHED AND ADJOINING LAND
 October 1983
 Town of Jamestown



EXTENSION OF LEASE AGREEMENT

That certain Lease Agreement, dated June 6, 1995, between The Town of Jamestown (Lessor) and Conanicut Marine Services, Inc. (Lessee) shall be and is hereby extended for the one (1) Ten Year renewal term provided for therein , with the renewal term to expire on June 6, 2015, on the same terms and conditions, except that the rent shall be Thirty Thousand Dollars (\$30,000) for the first year of the renewal term and shall be increased by One Thousand Dollars (\$1,000) on June 6, 2006, and again on each succeeding June 6 of the Ten Year renewal term.

Executed in Jamestown, Rhode Island, on this 17TH day of March, 2005:

Witness: CD Collins

Town of Jamestown

Mark W. Hadden
by its duly authorized official

Witness: John A. Murphy

Conanicut Marine Services, Inc.

Richard S. Murphy PRES
by its duly authorized official