

DOCKAGE USE AGREEMENT

THIS IS A DOCKAGE USE AGREEMENT, entered into on by and between:

CITY OF FORT LAUDERDALE, a municipal corporation of the State of Florida, whose address is 100 North Andrews Avenue, Fort Lauderdale, FL 33301, hereinafter referred to as "CITY",

and

Atlantic Beach Clubs-Two Inc., a Florida Corporation, whose address is 1033 North East 17th Way, Unit 704, Fort Lauderdale FL 33304, FEI NO. 650062407 hereinafter referred to as "LESSEE",

CITY owns and operates municipal dockage facilities along the Intracoastal Waterway.

In consideration of the mutual promises, covenants and conditions contained in this Lease and other good and valuable consideration, the adequacy and receipt of which is hereby acknowledged, the parties agree as follows:

1. Recitals.. The foregoing recitals are true and correct and are hereby incorporated into this Dockage Use Agreement.

2. Premises. City agrees to provide dockage to LESSEE for the purposes set forth hereinafter of that certain Premises known as Dock Areas "A" and "B", located at the Southernmost end of the Bahia Mar Yacht Basin, along Seabreeze Boulevard, more particularly depicted and described in **Exhibit "A"** attached hereto and made a part of this Dockage Use Agreement. The Premises are located at street address 1001 Seabreeze Boulevard.

3. Purpose and Use. The Premises shall be used dockage of vessels for purposes consistent with the CITY'S tourist related marine use, and the Central Beach SBHMAS zoning district. Such uses may include but are not limited to small boat rental, yacht charter, sightseeing cruises, dinner cruises, water taxi operations, drift boat and charter boat fishing, personal watercraft rentals and guided waverunner tours.

4. Term. CITY agrees to lease the Premises to LESSEE for a month to month basis, but not extending beyond 12 months beginning November 1, 2017. Either party may terminate this Dockage Use Agreement without cause by giving thirty (30) days advance written notice to the other party as provided herein. In the event of a default in any material provision of this Agreement and such default remains uncured

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after the time allowed for cure, the non-defaulting party may terminate this Lease upon five (5) days advance written notice to the defaulting party. All subleases shall contain a clause providing CITY the right to terminate the sublease for convenience with thirty-(30) days written notice.

5. Rental Payment. Rent for the Premises, for 2017/ 2018 shall be paid in equal monthly payments of \$12,916.67 plus applicable taxes. Any payment for rent, applicable taxes and other billed charges received by CITY after the fifth day of the month to which applicable shall be subject to a late payment fee of fifteen percent (15%) of the amount overdue.

6. Acceptance of Premises. LESSEE acknowledges that it has made a thorough and complete inspection of the Premises and is fully advised of its condition, nature of construction and state of repair. LESSEE fully accepts the Premises in its present condition.

7. Ability to Transact Business. LESSEE hereby represents and warrants that it is licensed and registered to transact business within the State of Florida, that it has adequate financial resources, and has the business skill and ability to perform all obligations herein imposed diligently, skillfully and successfully.

8. Repair and Replacement of Facilities. LESSEE shall have the use of the existing wood fenders, wood piling system, cleats, electrical pedestals, and fire hose boxes located on the Premises. The maintenance and replacement, if necessary, of these items, due to LESSEE'S negligent acts or omissions, shall be the sole responsibility and at the sole cost and expense of LESSEE. LESSEE must have the written approval of CITY before undertaking any replacement of these items.

9. Operation of Vessels.

(a) LESSEE shall require Sublessees to operate vessels at the Premises in such a manner as not to undermine the existing bulkhead. LESSEE shall be solely responsible for the cost of all repairs to the bulkhead in the event such undermining occurs.

(b) LESSEE shall require Sublessees to operate its vessels in such a manner that does not obstruct vessel, vehicle or pedestrian traffic, cause a safety hazard in or to the use of the adjacent street or waterway, or block access to any designated Water Taxi stops. If a violation of this provision occurs and is not corrected by LESSEE after forty-eight (48) hours from receipt of written notice from CITY, LESSEE may be considered in default of this Dockage Use Agreement. In addition, loading of provisions from vehicles is permitted in designated loading zones only; loading on or adjacent to A-1-A or Seabreeze Boulevard is prohibited without prior written authorization of the Manager of Marine Facilities.

10. Fueling of Vessels and Petroleum Products. The fueling of vessels is not permitted on or within the Premises. Storing recycled engine oil and petroleum based products on CITY property is also prohibited. LESSEE may be required to enter into an agreement with a licensed contractor to remove oil and petroleum based products with the approval of the Supervisor of Marine Facilities.

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11. Parking. Vehicular parking of agents, employees, contractors, invitees and guests of LESSEE and Sublessees must be in compliance with the requirements of the City's Unified Land and Development Regulations and the Central Beach SBHMA Zoning District.

12. Indemnification Against Claims. LESSEE shall protect, defend, indemnify and hold harmless the CITY, its officers, employees and agents from and against any and all lawsuits, penalties, damages, settlements, judgments, decrees, costs, charges and other expenses including attorney's fees or liabilities of every kind, nature or degree arising out of or in connection with the rights, responsibilities and obligations of LESSEE under this Dockage Use Agreement, conditions contained therein, the location, construction, repair, removal, demolition, maintenance, use or occupancy of the Premises described herein, or the breach or default by LESSEE of any covenant or provision of this Dockage Use Agreement except for any occurrence arising out of or resulting from the intentional torts or gross negligence of the CITY, its officers, agents and employees acting within the course and scope of their employment. Without limiting the foregoing, any and all such claims, suits, causes of action relating to personal injury, death, damage to property, defects in construction, rehabilitation, operation, maintenance, repair, restoration or use of the Premises described herein, alleged infringement of any patents, trademarks, copyrights or of any other tangible or intangible personal or real property right, or any actual or alleged violation of any applicable statute, ordinance, administrative order, rule or regulation or decree of any court, is included in the indemnity. LESSEE further agrees to investigate, handle, respond to, provide defense for, and defend any such claims at its sole expense and agrees to bear all other costs and expenses related thereto even if the claim is groundless, false or fraudulent and if called upon by the CITY, LESSEE shall assume and defend not only itself but also the CITY in connection with any claims, suits or causes of action, and any such defense shall be at no cost or expense whatsoever to CITY, provided that the CITY (exercisable by the CITY's Risk Manager) shall retain the right to select counsel of its own choosing. The indemnification obligations set forth herein shall survive termination of this Dockage Use Agreement for a period coincident with the statute of limitations period applicable to the offending act, omission or default.

13. No Liens Created. LESSEE covenants and agrees that LESSEE has no power to incur any indebtedness giving a right to a lien of any kind or character upon the right, title or interest of CITY in and to the Premises. Should any such lien be filed against CITY, LESSEE shall discharge the same within thirty (30) days thereafter by paying the same, by filing a bond, or otherwise as permitted by law. LESSEE shall not be deemed to be the agent of CITY under any term, paragraph, condition or covenant of this Dockage Use Agreement.

14. Utility and Operating Costs.

(a) Water service to the Premises shall be supplied by the CITY. Water usage shall be billed directly to LESSEE.

(b) Electric and all other utility expenses shall be billed directly to LESSEE. LESSEE agrees to promptly pay, when due, all utility and operating costs arising from and incurred as a result of the operation of LESSEE'S business on the PREMISES.

(c) LESSEE shall provide trash receptacles and trash pick-up service for the PREMISES. Storage of trash (e.g. cartons, boxes, etc.) outside the trash receptacles is prohibited and LESSEE shall dispose of such excess trash in the dumpster provided by the LESSEE on a daily basis at its cost.

(d) All reimbursable are subject to Florida state sales taxes. Sales tax exemptions from prepaid tax on tangible rentals or the associated forms of income are not permitted under the lease.

15. Taxes. During the term of this Dockage Use Agreement, LESSEE agrees to pay when due all taxes and special assessments levied and assessed against the Premises or against any improvements located on them. The obligation of LESSEE shall include the payment of all ad valorem property taxes, sales and use taxes, special assessments, the applicable rental tax specified under the Florida Statutes, Section 212.03(6), and any and all other taxes or assessments of every kind and nature whatsoever resulting from this Dockage Use Agreement or LESSEE'S activities under it. Sales tax exemptions from prepaid tax on tangible rentals or other associated forms of income are not permitted under the lease.

16. Use of Loudspeakers and Spotlights. LESSEE shall not use spotlights on the Premises except in the case of an emergency. LESSEE agrees that it shall conduct its operations at the Premises in a manner that will ensure minimal emanations of noise and odor towards surrounding areas and in compliance with CITY'S Code of Ordinances.

17. Maintenance and Surrender of Premises. LESSEE agrees at its expense to keep and maintain the Premises in the same state of repair and condition as existed on the date of commencement of this Dockage Use Agreement, reasonable wear and tear excepted. CITY shall repair damage to pilings and seawall not the result of LESSEE'S negligence. LESSEE at its sole expense, agrees to deliver to CITY, upon the termination of this Dockage Use Agreement, the entire Premises, including any improvements and fixtures located on them, in the same state of repair and condition as existed on the date of commencement of this Dockage Use Agreement, reasonable wear and tear excepted.

18. Security. CITY is not responsible for providing security to the Premises. Twenty four (24) hour a day manned or mechanical security for vessels docked on the Premises may be provided by LESSEE, at its sole cost and expense.

19. Use of Equipment/Repair of Vessels.

(a) The use of heavy machinery or equipment, including but not limited to, forklifts, tractors, generators, or other similar items is not permitted on the Premises.

(b) The use by LESSEE and its employees, of small motorized carts and small hand carts for transportation purposes is permitted on the Premises.

(c) LESSEE agrees to comply with Section 8-149(b) of the CITY'S Code of Ordinances regarding the repair and maintenance of vessels.

20. Possession. Delivery of possession of the Premises to LESSEE shall be made at the time of the commencement of the term of this lease.

21. Gambling, Adult Entertainment, Obnoxious Uses. LESSEE hereby acknowledges that the City of Fort Lauderdale has a policy barring any use of its municipal docks to base a vessel that engages in or promotes any gambling or gambling related activities or is used as an adult entertainment establishment or for adult uses as defined in the Code of Ordinances of the City of Fort Lauderdale (hereinafter "adult entertainment"), or related activities or other types of activities that are not in harmony with the Bahia Mar Yachting Center and the Central Beach SBHMA zoning district as a destination for tourists and residents of all ages. LESSEE agrees not to utilize the Premises for the dockage of vessels that conduct or are engaged, directly or indirectly, in the promotion of gambling or gambling related activities, or adult entertainment or related activities. LESSEE agrees it will not distribute promotional or advertising materials linking the vessels docked at the premises or the municipal docks with any gambling, adult entertainment or related activities, or gambling related activities located in the City of Fort Lauderdale or any other destination.

22. Insurance.

(a) LESSEE shall maintain and keep in force continuously during the term of this Dockage Use Agreement, comprehensive general liability insurance, with minimum combined single limits of One Million Dollars (\$1,000,000.00) per occurrence. CITY shall be included under such policy as an additional named insured. A Certificate of Insurance evidencing this coverage shall be provided to the CITY before the commencement of this Dockage Use Agreement.

(b) LESSEE shall further provide proof of coverage to the CITY and carry at its own cost and expense, Workers Compensation and Employers' Liability Insurance, including United States Longshoremen and Harbor Workers' Coverage and claims arising under the Jones Act. Limits: Employer's Liability - \$100,000.00; Workers Compensation as required by law. It is further agreed that any requirements of CITY to provide a safe berth under a Wharfinger policy is waived.

(c) All coverage to be afforded CITY by LESSEE shall be primary and shall not be affected by any insurance which CITY may carry in its own name.

(d) All of the policies of insurance provided for in this Dockage Use Agreement:

- (i) shall be in the form and substance approved by the Department of Insurance of the State of Florida ("DOI"),
 - (ii) shall be issued only by companies licensed by DOI,
 - (iii) Certificates of Insurance pertaining to same shall be delivered to CITY, at least fourteen (14) days prior to the commencement of the License Term,
 - (iv) shall be with a carrier having an A Best's Rating of not less than A, Class VII,
 - (v) shall bear endorsements showing the receipt by the respective companies of the premiums thereon or shall be accompanied by other evidence of payment of such premiums to the insurance companies, including evidence of current annual payment, if on any installment payment basis, and
 - (vi) shall provide that they may not be canceled by the insurer for thirty (30) days after service of notice of the proposed cancellation upon CITY and shall not be invalidated as to the interest of CITY by any act, omission or neglect of LICENSEE.
 - (vii) The insurance coverage under subparagraphs (a) and (b) above shall be for a period coincident with the applicable indemnification obligations set forth above.
- (e) In any case where the original policy of any such insurance shall be delivered to LESSEE, a duplicated original of such policy shall thereupon be delivered to CITY. All insurance policies shall be renewed by LESSEE, and certificates evidencing such renewals, bearing endorsements or accompanied by other evidence of the receipt by the respective insurance companies of the premiums thereon, shall be delivered to CITY, at least twenty (20) days prior to their respective expiration dates.
- (f) CITY does not in any way represent that the types and amounts of insurance required hereunder are sufficient or adequate to protect LESSEE'S or contractor retained by LESSEE interests or liabilities but are merely minimum requirements established by CITY's Risk Management Division. CITY reserves the right to require any other insurance coverages that CITY deems necessary depending upon the risk of loss and exposure to liability.

23. Assignment and Subleasing. This Dockage Use Agreement shall not be assignable or otherwise transferable. LESSEE may sublease the PREMISES to third party vessel owners in connection with LESSEE'S business operations consistent with the terms hereof, only upon the prior written approval of the Supervisor of Marine Facilities.

24. Laws and Ordinances. In its use and occupation of the Premises, LESSEE agrees to comply with all applicable laws, statutes, ordinances, rules or regulations promulgated by the federal, state, county, regional or local governments or any of its agencies, departments or subdivisions.

25. Improvements by LESSEE. LESSEE shall not make any improvements to the Premises without the prior written approval of CITY. In the event CITY provides prior written approval as above aforesaid, construction of any improvements may only be undertaken when permits have been obtained from all regulatory agencies having jurisdiction over the proposed improvements and all construction must be strictly performed in accordance with all permits issued, and all applicable governmental regulations.

26. Ownership at Termination. All fixtures, alterations, improvements, structures, additions and modifications of every kind now existing or later erected, installed or placed within the Premises shall, at the end of the term or earlier termination of this Dockage Use Agreement, for any reason, be and become the property of CITY and shall be left in good condition and repair, ordinary wear and tear excepted, unless CITY at its option requires LESSEE to remove all or a portion of same. LESSEE agrees at its sole expense to promptly remove same and to promptly repair and restore all portions of the entire Premises to good condition upon such removal. A fixture is defined as an article which was a chattel, but which, by being physically annexed or affixed to the Premises by LESSEE is incapable of being removed without structural or functional damage to the PREMISES, and has become a part and parcel of them. Non-fixture personally owned by LESSEE at the expiration of the term or earlier termination of this Dockage Use Agreement, for any reason, shall continue to be owned by LESSEE, and at the time of such expiration or earlier termination, LESSEE at its option, may remove all such personalty, provided LESSEE is not then in default of any covenant or condition of this Dockage Use Agreement; otherwise, all property shall remain on the Premises until the damages suffered by CITY from any such default have been ascertained and compensated. Any damage to the Premises caused by the removal by LESSEE of any such personalty shall be repaired by LESSEE immediately at its expense.

27. Default. It is agreed that upon any default by LESSEE in keeping any term or condition of this Agreement to be kept and performed by LESSEE, CITY may after five (5) days written notice to LESSEE, re-enter and take possession of the PREMISES. That power granted in this paragraph to CITY is in addition to any other rights or remedies which CITY may have under the existing laws of the State of Florida with regard to the removal of tenants or other legal recourse. All rights and remedies available to CITY may be exercised concurrently or separately.

28. Lien Provision. In the event of LESSEE'S breach of any of the provisions of this Dockage Use Agreement, CITY shall thereupon have a lien upon all revenues,

income, rents, earnings and profits from the Premises as additional security for LESSEE'S faithful performance of each of the terms and provisions hereof and to secure payment of all sums owing to CITY hereunder. All such revenues, income, rents, earnings and profits derived or accruing from the Premises from the date of such breach shall constitute the property of CITY and shall not constitute an asset of LESSEE or any trustee or receiver appointed for LESSEE'S property. The provisions hereof shall be effective without CITY'S re-entry upon the Premises or repossession thereof.

29. Contractors and Subcontractors. Contractors or Subcontractors shall be allowed on the Premises under the direct supervision of LESSEE or its employees only. Any Contractors or Subcontractors found on the Premises by CITY in violation of this Section may be removed by CITY.

30. Signs and Banners. Any signs or banners on vessels docked on the Premises must comply with CITY'S Code of Ordinances.

31. Rafting of Vessels. The rafting of vessel(s) to vessel(s) docked on the Premises is prohibited. "Rafting" as used in this Section means the practice of securing or tying-up a vessel to a vessel that is docked at a docking facility.

32. Discharge of Wastewater. LESSEE shall discharge wastewater from all vessels only into a pump-out facility provided by CITY or into another land-based or water-based facility approved by the CITY. Any violation of this provision of the Lease will result in the immediate expulsion of the vessel from the PREMISES.

33. Severability. If any section, subsection, sentence, clause, provision, or portion of this Dockage Use Agreement shall be held invalid for any reason, the remainder of this Dockage Use Agreement shall not be affected thereby.

34. Non-discrimination. LESSEE, in exercising any of the rights or privileges herein granted to him, shall not, on the grounds of race, color, sex, disability, sexual orientation or national origin, discriminate or permit discrimination against any persons or group of persons in any manner.

35. Other remedies. In addition to the options herein above granted, CITY may exercise any or all options available to it under the laws of Florida, all of which options may be exercised concurrently or separately.

36. Non-waiver. The failure of CITY to insist upon the strict performance of any of the covenants, conditions and agreements of this Dockage Use Agreement in any one or more instances shall not be construed as a waiver or relinquishment in the future of any such covenants, conditions and agreements. LESSEE covenants that no surrender or abandonment of the Premises or of the remainder of the term herein granted shall be valid unless accepted by CITY in writing. CITY shall be under no duty to relet the Premises in the event of an abandonment or surrender or attempted abandonment or surrender by LESSEE. Upon LESSEE'S abandonment or surrender or attempted abandonment or surrender, CITY shall have the right to retake possession of PREMISES or any part thereof, and such retaking of possession shall not constitute an acceptance of LESSEE'S abandonment or surrender thereof.

37. Notice. Whenever any party desires to give notice unto any other party, it must be given by written notice sent by registered U.S. mail, with return receipt requested, addressed to the party for whom it is intended at the place designated below and the place so designated shall remain such until they shall have been changed by written notice in compliance with the provisions of this Section. For the present, the parties designate the following as the respective places for giving notice:

CITY: City Manager
City of Fort Lauderdale
P. O. Drawer 14250
Fort Lauderdale, Florida 33302

With copy to: City Attorney
City of Fort Lauderdale
P.O. Drawer 14250
Fort Lauderdale, FL 33302

LESSEE: Adam Vaughn, CEO
Atlantic Beach Clubs Two, Inc.
1033 NE 17th Way, Unit 704
Fort Lauderdale, FL 33304

38. Amendment. No modification, amendment or alteration of the terms or conditions contained herein shall be effective unless contained in a written document executed by the parties hereto, with the same formality and of equal dignity herewith.

39. Governing Law. This Agreement shall be governed by the laws of the State of Florida, with venue lying in Broward County, Florida.

40. Extent of Agreement. This Dockage Use Agreement represents the entire and integrated agreement between CITY and LESSEE and supersedes all prior negotiations, representations or agreements, either written or oral.

41. Special Events.

(a) The CITY as the LESSOR, through the Supervisor of Marine Facilities, may require the LESSEE to relocate the LESSEE'S vessel(s) to an alternate slip location for special events with ninety (90) days advance notification specifying the approximate dates for relocating the vessel(s), including but not limited to such events as the Fort Lauderdale International Boat Show and Winterfest Boat Parade. The sole cost of relocating the LESSEE'S vessel(s) including the cost of hiring a Captain or loss of business or any other costs attributed to relocating the LESSEE'S vessel(s) is not the responsibility of the City in any way.

(b) Repair to Premises. Upon forty-eight (48) days written notice to LESSEE, CITY, at its sole discretion, may require LESSEE to temporarily dock its vessels at an alternate location other than the Premises due to repair work to the Premises or construction work which may occur at an area near the Premises during the term of this Agreement. CITY agrees to minimize the disturbance, if any, to LESSEE'S business

operations by such substitution and further agrees to offer LESSEE an alternate docking location within a reasonable distance from LESSEE'S business operation. If an alternate docking location cannot be found, CITY agrees to renegotiate the terms of this Dockage Use Agreement with LESSEE for the remainder of the Lease term; provided, however, that if no agreement can be reached by the parties, either party may terminate this Dockage Use Agreement as provided in Section 3 above. The sole cost of relocating the Lessee's vessels including the cost of hiring a Captain(s) or loss of business or any other costs attributed to relocating the Lessee's vessel is not the responsibility of the CITY in any way.

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IN WITNESS WHEREOF, the parties have set their hands and seals the day and year first above written.

WITNESSES:

CITY OF FORT LAUDERDALE

[Witness type or print name]

By _____
Lee R. Feldman, ICMA-CM,
City Manager

Approved as to form:
Cynthia A. Everett, City Attorney

Jeffery A. Modarelli
City Clerk

Kimberly Mosley
Assistant City Attorney

WITNESSES:

Atlantic Beach Clubs-Two, Inc. a Florida Corporation

By _____
Adam Vaughn, CEO

[Witness print/type name]

[Witness print/type name]

(CORPORATE SEAL)

STATE OF FLORIDA:
COUNTY OF BROWARD:

The foregoing instrument was acknowledged before me this _____, 2017 by Adam Vaughn as, CEO of Atlantic Beach Clubs -Two, Inc.. a Florida Corporation. He/She is personally known to me or has produced _____ as identification.

(SEAL)

Notary Public, State of Florida
(Signature of Notary taking Acknowledgment)

Name of Notary, Typed
Printed or Stamped
My Commission Expires:

Commission Number

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