

INDENTURE OF LEASE

THIS AGREEMENT AND INDENTURE OF LEASE entered into effective as of, November 21, 2024 by and between the TOWN OF BRISTOL, party of the first part, hereinafter called the "LESSOR", and A&R MARINE CORP. INC., a Rhode Island corporation, having its principal office in Portsmouth, Rhode Island, party of the second part, hereinafter called the "LESSEE".

The expressions LESSOR and LESSEE wherever hereinafter used in this INDENTURE OF LEASE shall be construed as including and referring to the parties hereto and their respective heirs and assigns, wherever such construction is required or consistent with the provisions of this lease; and all covenants, agreements, conditions, rights, powers and provisions hereinafter contained on the part of the respective parties hereto shall extend to and be binding upon their respective successors and assigns.

W I T N E S S E T H

That the LESSOR does hereby demise and lease to LESSEE those parcels of land and other appurtenances located thereon at the Thames Street Dock, in the Town of Bristol, Rhode Island, described in **Exhibit A** attached hereto.

Those parcels of land containing (), (7450 square feet) and shown on **Exhibit A** which is attached hereto and incorporated by reference herein hereafter referred to as the "Premises".

TO HAVE AND TO HOLD the Premises, with all rights, privileges, or preferential use and occupancy and the buildings and other appurtenances thereto, unto and to the use of the LESSEE, for and during the term of five (5) years from 21st day of November 2024, to the 20th day of November 2029, upon the following covenants and conditions:

1. **Use of the Leased Premises:** The LESSEE shall use the Premises for the following purpose:

- a. To conduct its business as a common carrier and to provide temporary parking for patrons of the carrier.
- b. To conduct its business in such a manner as to prevent to the extent practicable pollution of the harbor, fouling of the air, and the creation of any other nuisance.
- c. All parking and staging must be done in a safe and orderly manner so as to not obstruct traffic.
- d. For employee parking and standby parking for ferry vehicles and temporary staging for off-loading of goods and materials being brought to and from the island.

The Premises may not be used for any other purpose unless said other use is approved in writing by the LESSOR, which approval will not be unreasonably withheld or delayed.

2. **Rent:** The LESSEE shall pay unto the LESSOR an annual rental fee of FOURTEEN THOUSAND THREE HUNDRED FIFTY TWO AND EIGHTY FOUR CENTS commencing on the, 21st day of November 2024 with the minimum quarterly installments of THREE THOUSAND FIVE HUNDRED EIGHTY EIGHT DOLLARS AND TWENTY ONE CENTS due on the first business day of each and every quarter. LESSEE agrees that. Annually, there will be a TWO PERCENT (2%) increase based on the rental fee of THREE THOUSAND FIVE HUNDRED EIGHTY EIGHT DOLLARS AND TWENTY ONE CENTS shall be adjusted for the subsequent year accordingly to reflect as calculated with the year 2024 as the baseline year.

The LESSEE paying the rent and performing on its part the agreements herein contained, may peaceably hold and enjoy said Premises during the term of the lease without any lawful let or hindrance by the LESSOR, or any person claiming by, through or under it.

3. **Prior Termination:**

- a. If, during the term of this lease, the LESSOR determines that the Premises, or any part thereof, are desired by the LESSOR for an alternate public use, and upon written notice given six (6) months in advance by the LESSOR to the LESSEE to vacate, this lease shall be terminated and thereupon declared at an end; to the extent of the Premises so desired, both the LESSOR and the LESSEE shall be fully released and discharged of all and any of the terms, covenants and conditions of this lease, and, in the event a portion of the Premises is so desired, all terms, covenants, conditions, of this lease shall remain in full force and effect, except that the LESSOR shall prorate the annual rental for each remaining year of the lease to compensate for the portion taken. In the event that any portion so desired is so substantial as to prevent the LESSEE from using the Premises for the purpose for which it is hereby demised, LESSEE shall have the right to terminate this lease in its entirety.
- b. In the event the LESSEE shall fail to pay the quarterly installment of rent within fifteen (15) days subsequent to the first business day of each and every quarter (and it shall not be required that any demand be made for the same), or the failure to make PILOT payments in a timely manner as set forth in paragraph 9 below, or in case of failure on the part of the LESSEE to perform all the covenants and agreements contained in this lease, and such failure shall continue for more than fifteen (15) days or longer than is reasonably necessary and requisite to correct the failure, after written notice has been given by the LESSOR to the LESSEE specifying the existence and nature of the default, the LESSOR shall be at liberty to enter upon and take immediate possession of the Premises and declare this lease at an end. A termination pursuant to this subsection (b) shall not be subject to the obligations imposed on LESSOR by Section 3(a) hereof.

4. **Assignment and Subletting:** The LESSEE shall not assign this lease or sublet the whole or any part of the Premises without the prior written consent of the LESSOR.

5. **Failure to Remove Property and Fixtures:** If, upon termination of this lease under any of the provisions hereof, or if LESSEE moves out or is dispossessed, the LESSEE fails to remove within six (6) months after such termination, moving out, dispossession, or expiration, all its furniture, trade fixtures, machinery and equipment or other personal property and all of its buildings existing or hereafter erected by LESSEE on the Premises, such remaining furniture, trade fixtures, machinery and equipment or other personal

property and buildings shall be deemed abandoned by the LESSEE and shall become property of the LESSOR.

6. **Laws:** The LESSEE shall comply with all laws, ordinances, rules, regulations, orders and requirements of the Federal, State and Local Governments, including LESSOR.

7. **Maintenance of the Premises:**

- a. **Maintenance of Existing Conditions:** The LESSEE shall keep the Premises clean and in good repair during the term of this lease, ordinary wear and tear thereof, damage by fire and other unavoidable casualty excepted, provided that at the expiration or sooner termination thereof, the LESSEE will peaceably surrender possession of the Premises to the LESSOR in as good condition as they now are, or may be put in, ordinary wear and tear thereof, and damage by fire and other unavoidable casualty excepted. The LESSEE shall be responsible for and repair, as its own expense, all damage caused by LESSEE's negligence or by the negligence of LESSEE's agents, employees, servants, invitees, or visitors, to the buildings and other appurtenances including those owned by the LESSOR on the Premises, said damage to be repaired to the satisfaction of the LESSOR. The LESSOR may at all reasonable times enter to view and inspect the Premises and any building, structure or other appurtenance thereon, and to order such repairs as may be considered reasonably necessary.

8. **Liability Insurance:**

- a. **Liability:** The LESSEE shall obtain and maintain throughout the operation of this lease, comprehensive general liability insurance running to the benefit of both the LESSOR and the LESSEE for personal and bodily injuries including death in the sum of ONE HUNDRED THOUSAND and 00/100 DOLLARS (\$100,000.00) for any one person and ONE MILLION and 00/100 DOLLARS (1,000,000.00) for any one occurrence and THREE HUNDRED THOUSAND and 00/100 DOLLARS (\$300,000.00) for property damage for any one accident. The Town of Bristol, its officials, employees and agents shall be named as Additional Insured.
- b. **Certificates and Endorsements:** LESSEE shall provide LESSOR with certificates and endorsements of all insurance specified above with proof of payment of the premium(s) at the commencement of the term of this lease. Said certificates and endorsements shall name LESSOR, its officials, employees and agents as an additional insured on the policy and shall cover the entire scope of LESSEE's use of the Premises. Such insurance shall be written with a company or companies of recognized responsibility authorized to engage in the business of such insurance in Rhode Island.

9. **Taxes:** In addition to the Rent specified in paragraph 2 above, the LESSEE shall also be required to annually pay the LESSOR a payment in lieu of taxes (the "PILOT") in an amount based upon a percentage of the municipal property tax bill that would issue for the Premises if the Premises were owned by the LESSEE. For the first year of the lease, the PILOT payment shall be in an amount that is 20% of the tax bill that would be owed that year. For the second year of the lease, the PILOT payment shall be in an amount that is 40% of the tax bill that would be owed that year. For the third year of the lease, the PILOT payment shall be in an amount that is 60% of the tax bill that would be owed that year. For the fourth year of the lease, the PILOT payment shall be in an amount that is 80% of the tax bill that would be owed that year. For the fifth year of the lease and annually thereafter (whether as part of the original lease or a lease extension), the PILOT payment shall be in an amount that is 100% of the tax bill that would be owed that year. The PILOT payment shall be billed and processed in the same manner as municipal property taxes are billed and processed under Rhode Island law.
10. **Lien:** Notwithstanding any other provisions herein contained the LESSOR shall have a lien upon all personal property of the LESSEE including any and all of its buildings or other structures existing or hereafter erected by the LESSEE on the Premises, to secure the payment of all rent and PILOT payments due or to become due under the provisions of this lease, as well as the payment of any and all other obligations of the LESSEE in the lease contained.
11. **Notices:** All notices required to be given by the LESSEE to the LESSOR shall be in writing and be addressed to the Bristol Town Administrator, Bristol Town Hall, 10 Court Street, Bristol, RI 02809-2208; and any notices from the LESSOR to the LESSEE shall be addressed to A&R Marine Corp., Inc., P.O. Box 1017, Bristol, RI 02809 and to Michael R. McElroy, Esq.,

P.O. Box 6721, Providence, RI 02940-0671 or to such other addresses as the parties hereto may respectively designate by notice in writing.

12. **Option to Extend Lease:** The LESSOR, in consideration of the mutual covenants and conditions herein contained, shall have the option to extend this Lease for a further period of five (5) years from the 15th day of September, 2024, to and including the 14th day of September, 2029, and for two (2) additional successive terms of five (5) years each at the option of the LESSOR upon the same terms and conditions as are herein contained, except that the amount of annual rent, the minimum insurance requirement, and minimum liability insurance to be in effect for each term of the extended period shall be fixed by the Town.

The amount of annual rent so fixed for the option period shall be based on the most recent appraisal of the value of the land and dock space in the Thames Street Dock, conducted by an outside appraiser at the request of the LESSOR. The LESSEE, in order to exercise such option, must have given notice in writing by certified mail to the LESSOR at least six (6) months before the expiration date of this lease, of intention to take up such option, unless LESSEE agrees to waive said notice.

13. **Abatement of Rent:** In the event of damage by fire or the elements to any building or buildings, or other appurtenances existing or hereafter erected by the LESSEE on the Premises, in accordance with this lease, or in the event of flood or other loss thereof, or other unavoidable casualty so that the LESSOR determines that said Premises shall be made unfit entirely or in part for occupation and use as herein contemplated, LESSOR shall grant a just and proportionate abatement of rent until the same be properly repaired or restored by the LESSEE, provided, however, that if the LESSEE shall not elect to so repair or restore same within a reasonable time after such occurrence, the LESSEE shall

be responsible for removing the structure from the Premises unless the Town waives this provision and this lease shall then be terminated and insurance monies therefore due shall be paid to the LESSEE provided that any accrued rent or other charges that may be due under this lease have been paid, the LESSEE shall be given six (6) months time to remove all its furniture, trade fixtures, machinery, equipment or other personal property, owned by LESSEE on the Premises.

14. **Indemnity**: LESSEE agrees that LESSEE shall, at all times, defend, protect and save, hold harmless and indemnify the LESSOR, its agents, servants, and employees against and from:

- a. any penalty, damages or charges, including attorneys' fees for any violation of any law or ordinance whether occasioned by negligence or willful act of LESSEE or of LESSEE's agents, employees, servants, invitees or visitors;
- b. all claims, including bodily injury and death, loss, costs, damage or expenses including attorneys' fees arising out of or from any accident, incident or occurrence in any way connected to the use in, on or about the Premises by LESSEE, or by LESSEE's agents, employees, servants, invitees, or visitors;
- c. all claims, including bodily injury and death, loss, costs, damage or expenses, including attorneys' fees arising out of or from any failure of the LESSEE in any respect to comply with and perform all the requirements and provisions of this lease.

15. **Non-Waiver**: The failure of the LESSOR to insist in any one or more instances upon the strict and literal performance of any of the agreements, terms or conditions of this lease or to exercise any option of the LESSOR herein contained, will not be construed as a waiver for the future of such term, condition, agreement or option, the receipt by the LESSOR of rent with knowledge of the breach of any term, condition, or agreement will not be deemed to be a waiver of such breach. The receipt by the LESSOR of rent after the giving of any notice required to be given to the LESSEE by the law or by the terms of this lease will not in any way affect the operation of such notice.

16. **Building Repairs and Alterations:** No buildings shall be constructed on the Premises without LESSOR's prior written approval. See also the terms in Paragraph 7 regarding repairs and improvements.
17. **Access:** LESSEE shall not block the access road/fire lane on or about Premises, nor shall it permit its agents, servants, invitees, or visitors to block Thames Street or said access road/fire lane with trucks or other vehicles, or in any other manner.
18. **Subordination:** This agreement is subject and subordinate to any leases, covenants, licenses, easements, and agreements which may now affect the real property of which the Premises form a part, and to all renewals, modifications, consolidations, replacements and extensions thereof.
19. **Littoral Rights Retained by Lessor:** Except for that access specifically set forth above necessary for a use authorized under this lease, nothing contained in this agreement shall be construed as conveying LESSOR's littoral rights arising out of LESSOR's ownership of the demised parcel(s) and parcels adjacent thereto.
20. **Inventory of Personal Property:** Within six (6) months of the beginning of the lease term, LESSEE shall furnish LESSOR with an inventory of all its furniture, trade fixtures, machinery, equipment or other personal property which it may elect to remove under Paragraph 5.
21. **Utilities:** LESSEE shall pay when due the cost of all utility service to the Premises, including but not limited to heat, gas, telephone, sewer and electricity.
22. **Snow Removal:** The Harbormaster or his assigns shall thereafter plow the Thames Street Dock in a reasonable manner so that snow is reasonably removed at the times that the LESSEE operates the ferry service.

23. **Approval:** This agreement shall be effective only subsequent to its approval by the Town Council of Bristol as designated below.
24. **Commercial Boat Slip:** LESSOR will provide LESSEE will provide a 30' slip during the off season and a 24' slip during the peak season at the current Commercial Marine Business rate, which is set by the Bristol Town Council.
25. **Commercial Fisherman Easement:** An Easement across the LESSEE's leased area for Commercial Fisherman to access their vessels to on and off load during off ferry landing times.
26. LESEE SHALL PAY FOR ROCKWELL MARINA SLIP R-1 AT THE COMMERCIAL RATE AND SHALL KEEP IT VACANT WITH THE EXEPTION OF JANUARY THROUGH FEBRUARY TO ALLOW FOR FREE PASSAGE OF VESSELS.

WITNESS:

Lauren Gorman

Kathy B.

LESSOR:

TOWN OF BRISTOL

By: [Signature]

Bristol Town Administrator

Lessee:

A & R MARINE CORP

By: [Signature]

~~Stephen Antaya~~, President

Daniel Antaya

EXHIBIT "A"

NAVIGABLE BY

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