ST JULIAN'S
MARITIME FINANCE

DATED [Contract Date]

(1) **[Lessee name]**

(THE LESSEE)

- and -

(2) ST JULIAN'S MARITIME [SPV] LIMITED

(THE LESSOR)

OPERATING LEASE AGREEMENT
__/____/_____

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THIS OPERATING LEASE AGREEMENT is made the date stated on the front page **BETWEEN**:

(1) **THE LESSEE IDENTIFIED ON THE FRONT PAGE**, having its registered office at the address given in Part 2 (*Key Terms of Operating Lease*) of Schedule 1 (*Details of Leased Yacht and Key Terms*), acting as lessee (the **"Lessee"**); and

(2) **ST JULIAN'S MARITIME [SPV] LIMITED**, having its registered office at the address given in Part 2 (*Key Terms of Operating Lease*) of Schedule 1 (*Details of Leased Yacht and Key Terms*), acting as lessor (the **"Lessor"**).

RECITALS:

(A) The Lessor shall acquire and shall become the legal and beneficial owner of the Leased Yacht to be registered under the Malta flag and has agreed to lease out the Leased Yacht.

(B) The Lessor and the Lessee have agreed to enter into this Operating Lease agreement in order to set out the terms and conditions on which the Lessor will lease the Leased Yacht to the Lessee.

THE PARTIES AGREE AS FOLLOWS:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Operating Lease:

"Agreed Purchase Price" has the meaning given to such term in Part 1 (*Details of Leased Yacht*) of Schedule 1 (*Details of Leased Yacht and Key Terms*);

"Applicable Currency" has the meaning given to such term in Part 2 (*Key Terms of Operating Lease*) of Schedule 1 (*Details of Leased Yacht and Key Terms*);

"Authorisation" means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration, as applicable or necessary;

"Availability Period" means the period during which the Lessor shall acquire the Leased Yacht as given in Part 1 *(Details of Leased Yacht)* of Schedule 1 *(Details of Leased Yacht and Key Terms)*, provided that the Lessee complies with the terms and conditions of this Operating Lease and the other Lease Documents, in particular in accordance with clause 3.1 herein;

"Business Day" means a day (other than a Friday, Saturday or other public holidays in Malta) on which banks are open for general business in Malta;

"Applicable Law" has the meaning given to it under clause 29 herein, being the laws of Malta, in general, as the same may be amended, supplemented or re-enacted from time to time;

"Credit Support Documents" has the meaning given to such term in Part 2 (*Key Terms of Operating Lease*) of Schedule 1 (*Details of Leased Yacht and Key Terms*);

"Data Protection Law" means the laws of Malta in relation to Data Protection, as the same may be amended, supplemented or re-enacted from time to time;

"Default Rate" has the meaning given to such term in Part 2 (*Key Terms of Operating Lease*) of Schedule 1 (*Details of Leased Yacht and Key Terms*);

"Designated Agent" has the meaning given to such term in part 2 (*Key Terms of Operating Lease*) of schedule 1 (*Details of Leased Yacht and Key Terms*);

"Downpayment" means the advance payment (if applicable) due for payment by the Lessee under this Operating Lease, as specified in the relevant Payment Schedule, to be set-off against the first Operating Lease Rental Payment;

"Excess Amount" has the meaning given to such term in clause 3.2 (*Excess Amount under Sale Contract*);

"Expected Delivery Period" has the meaning given to such term in Part 1 (*Details of Leased Yacht*) of Schedule 1 (*Details of Leased Yacht and Key Terms*);

"Indemnified Person" means the Lessor, the Designated Agent, any Representative and the officers, directors, agents, employees and representatives of the Lessor or the Designated Agent;

"Insurances" means, in relation to the Leased Yacht:

(a) any insurances procured by the Lessor in accordance with clause 15.1(a); and/or

(b) any insurances procured by the Lessee in accordance with clause 15.1(c);

in each case, being those specified in Part 2 (*Key Terms of Operating Lease*) of Schedule 1 (*Details of Leased Yacht and Key Terms*);

"Lease Administration Fees" means each sum of administrative fees due for payment as part of the Rental Payments under this Operating Lease, as specified in the relevant Payment Schedule and specifically those sums in Part 2 of Schedule 2 *(Other Fees, Costs and Recharges);*

"Lease Commencement Date" has the meaning given to such term in Part 2 (*Key Terms of Operating Lease*) of Schedule 1 (*Details of Leased Yacht and Key Terms*) – Expected Lease Commencement Date, subject to clause 3.4 (*Delay to Lease Commencement Date*) and clause 4 (*Terms of Leasing, Risk, Delivery and Acceptance*) which shall prevail;

"Lease Document" means this Operating Lease agreement, any Power of Attorney, any Credit Support Document and any other document designated as such by the Lessor and the Lessee;

"Lease Period" has the meaning given to such term in Part 2 (*Key Terms of Operating Lease*) of Schedule 1 (*Details of Leased Yacht and Key Terms*), subject to early termination pursuant to this Operating Lease;

"Lease Purchase Order" is the form as provided herein in Part 1 (Form of Lease Purchase Order) of Schedule 3 (Forms to Complete);

"Lease Termination Event" means any event or circumstance specified as such in clause 17 (*Lease Termination Events*);

"Leased Yacht" means the Yacht having the description and specifications set out in Part 1 (*Details of Leased Yacht*) of Schedule 1 (*Details of Leased Yacht and Key Terms*);

"Legal Reservations" means:

(a) the principle that equitable remedies may be granted or refused at the discretion of a court and the limitation of enforcement by laws relating to insolvency, reorganisation and other laws generally affecting the rights of creditors;

(b) the time barring of claims under any applicable limitation periods; and

(c) similar principles, rights and defences under the laws of any relevant jurisdiction;

"Loss" means any loss, damage, demand, liability, obligation, claim, action, proceeding, penalty, fine, adverse judgement, order or other sanction, fee and out-of-pocket cost and expense (including any fee and out-of-pocket cost and expense of any legal counsel);

"**Maltese Base Rate**" means the Bank of Valetta Business Lending Bank Base Rate, established from time to time, on which the rate of interest payable generally on all Bank lending is determined, two business days before the Funding Date and, thereafter on each subsequent fixing date (see Schedule 1) as published by Bank of Valletta. Interest will be calculated on the basis of 30 days in each month in a 360 day year on the EURO

"Operating Lease" means this Operating Lease agreement, which constitutes this lease agreement agreed to between the Parties and includes its schedules;

"Parties" means the Lessor and the Lessee, and **"Party"** shall be construed accordingly;

"Payment Schedule" means, as the context requires:

(a) in relation to Rental Payments, those payments and due dates described in Part 1 (*Rental Schedule*) of Schedule 2 (*Payment Schedule*); or

(b) in relation to any Upfront Fees, the Downpayment and any other fees, costs or recharges, payments and due dates of which are described in Part 2 (*Other Fees, Costs and Recharges*) of Schedule 2 (*Payment Schedule*),

as the same may be supplemented or amended from time to time in accordance with clause 5.3 (*Adjustment of Payment Schedule*);

"Pre-Financing Expenses" means the expenses incurred by the Lessor starting from the date of this Operating Lease until the Lease Commencement Date in relation to the funding of the payment of any instalments towards the Agreed Purchase Price or otherwise connected with raising of funds for the pre-financing of this Operating Lease and/or the purchase of the Leased Yacht (including but not limited to any short-term funding provided by the Lessor), the final amount of which shall be determined solely by the Lessor on or before the Lease Commencement Date in accordance with the calculation referenced within the relevant section of Part 1 (*Details of Leased Yacht*) of Schedule 1 (*Details of Leased Yacht and Key Terms*);

"Power of Attorney" means, if applicable, a power of attorney listed in part 2 (*Key Terms of Operating Lease*) of Schedule 1 (*Details of Leased Yacht and Key Terms*);

"Record of Delivery" means a certificate substantially in the form set out in part 2 (*Form of Record of Delivery*) of Schedule 3 (*Forms to Complete*);

"Representative" means any delegate, agent, manager, administrator, nominee, attorney, trustee or custodian;

"Rental Payment" means each sum of rent due for payment under this Operating Lease, as specified in the relevant Payment Schedule;

"Sale Contract" means a contract (as supplemented, modified or amplified by a duly completed and executed Lease Purchase Order) for the sale and purchase of the Leased Yacht between the Lessor (as buyer), the Supplier (as seller) and the Lessee (as intended user);

"Security" means a mortgage, charge, pledge, lien, assignment or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect;

"Supplier" means a person being the supplier of the Leased Yacht, who is a party to the Sale Contract, as named in Part 1 (*Details of Leased Yacht*) of Schedule 1 (*Details of Leased Yacht and Key Terms*);

"Tax" means any tax, levy, impost, duty or other charge or withholding of a similar nature in any jurisdiction (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same), and **"Taxes"** and **"Taxable"** shall be construed accordingly;

"Third Party Default Threshold" means the maximum allowable period during which any debt or financial obligation associated with the Yacht, owed to any third party, may remain unpaid beyond its stipulated due date without constituting a default under this Agreement. The Third Party Default Threshold is hereby established as fifteen (15) calendar days from and including the relevant due date of such debt or financial obligation. This definition encompasses, without limitation, all financial obligations related to the Yacht, including but not limited to, crew salaries, routine maintenance, and ad hoc repair or improvement works etc;

"Total Loss Event" means:

(a) an event, which results in all, or substantially all, of the Leased Yacht being lost, damaged or destroyed beyond economic repair; or

(b) the compulsory acquisition, confiscation, seizure or expropriation of all, or substantially all, of the Leased Yacht;

"Malta" means the Republic of Malta;

"Upfront Fees" means the upfront fees (if applicable) due for payment by the Lessee under this Operating Lease, as specified in the relevant Payment Schedule; and

"VAT" means value added tax and any other tax of a similar nature, under any jurisdiction.

1.2 Construction

(a) Unless a contrary indication appears, any reference in this Operating Lease to:

(i) the **"Lessor"**, the **"Lessee"** or any **"Party"** shall be construed so as to include its successors in title, permitted assigns and permitted transferees;

(ii) a **"Lease Document"** or any other agreement or instrument is a reference to that Lease Document or other agreement or instrument as amended, novated, supplemented, extended or restated;

(iii) **"indebtedness"** includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;

(iv) a **"person"** includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership (whether or not having separate legal personality);

(v) a **"regulation"** includes any regulation, rule, official directive, request or binding guideline (whether or not having the force of law) of any governmental, intergovernmental, quasi-governmental or supranational body, agency, department or of any relevant regulatory authority or organisation;

(vi) a provision of law is a reference to that provision as amended or re-enacted;

(vii) the words **"include"** or **"including"** are deemed to be followed by **"without limitation"** or **"but not limited to"** whether or not they are followed by such phrases or words of like import;

(viii) unless the context otherwise requires, words denoting the singular include the plural and vice versa, and words denoting the male pronoun include the female pronoun and vice versa; and

(ix) unless otherwise stated, a time of day is a reference to Malta time.

(b) A Lease Termination Event is **"continuing"** if it has not been remedied (in accordance with clause 25) or waived in accordance with this Operating Lease.

(c) Where in any place outside Malta a word or expression used in this Operating Lease has no precise counterpart in that place then such word or expression shall be construed as if it had the meaning of the closest equivalent thereto in the place concerned.

(d) The schedules to this Operating Lease form an integral part of this agreement between the Parties, and therefore of this Operating Lease.

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2. THE OPERATING LEASE

2.1 Leasing

The Lessor shall lease the Leased Yacht to the Lessee, and the Lessee shall accept the lease of the Leased Yacht from the Lessor, for the duration of the Lease Period.

2.2 Sale of Leased Yacht to Lessor

Subject to the terms and conditions of this Operating Lease, provided that the Lessee complies with its obligations under this Operating Lease and the other Lease Documents, the Lessor hereby undertakes to deliver a duly completed Lease Purchase Order and:

(a) to acquire the title to the Leased Yacht; and thereafter

(b) to make the Leased Yacht available to the Lessee,

and the Lessee undertakes to accept from the Lessor such Leased Yacht on the terms and conditions set out in this Operating Lease. The Lessor's obligations to purchase the Leased Yacht, to deliver a duly completed Lease Purchase Order and to make the Leased Yacht available to the Lessee according to the terms and conditions of this Operating Lease shall enter into force upon the commencement of and throughout the Availability Period and shall take effect only upon the commencement of the Availability Period (unless the Lessor agrees otherwise). For the avoidance of doubt, the Lessee's relevant obligations in terms of this Operating Lease and Lease Documents shall also enter into force upon the commencement of and throughout the Availability Period, as applicable.

2.3 Use by Lessee

The Lessee acknowledges that the Leased Yacht has been approved by the Lessee and confirms that the specifications of the Leased Yacht are in accordance with the requirements of the Lessee and satisfactory for its purposes and use under the Lease Documents. The Lessee further acknowledges that the Leased Yacht shall be used for commercial purposes and the Lessee shall be solely responsible for all licenses, registrations or authorisations necessary to adhere to its use hereunder.

3. AVAILABILITY PERIOD AND START OF LEASE PERIOD

3.1 Availability Period

The Availability Period shall not commence and the Lessor shall not be obliged to complete and deliver a Lease Purchase Order in respect of the Leased Yacht under the terms and conditions of this Operating Lease, unless the Lessor has received all of the documents and other evidence listed in Part 2 (*Key Terms of Operating Lease*) of Schedule 1 (*Details of Leased Yacht and Key Terms*) in a form and substance which is satisfactory to the Lessor. The Lessor further reserves the right to request further documentation, other evidence, other security or any other requirement as deemed necessary by the Lessor in order to be able to proceed with the Lease Purchase Order in accordance with this clause herein and the Lessee hereby agrees and accepts to comply with such requests. The Lessor shall notify the Lessee promptly and in writing upon being so satisfied, and upon delivery of such notice, the Availability Period shall commence.

3.2 Excess Amount under Sale Contract

If, for any reason, the sum due to the Supplier for the Leased Yacht under the Sale Contract exceeds the Agreed Purchase Price of the Leased Yacht and the Lessor is obliged to make any payment in connection with the purchase of the Leased Yacht in an amount required to cover such excess (the **"Excess Amount"**), then the Lessee shall promptly reimburse to the Lessor such Excess Amount in accordance with the terms and conditions provided for in clause 5 (*Rental and Payments*).

3.3 Duration of Operating Lease

The Parties have agreed to the lease of the Leased Yacht under this Operating Lease for the continuing duration of the Lease Period, commencing on the Lease Commencement Date.

3.4 Delay to Lease Commencement Date

(a) If the delivery of the Leased Yacht in accordance with this Operating Lease lapses the Expected Lease Commencement Date as specified in Part 2 *(Key Terms of Operating Lease)* of Schedule 1 *(Details of Leased Yacht and Key Terms)*, and thereby the Lease

Commencement Date is delayed for any reason whatsoever, then the Lessee shall not have any right to terminate this Operating Lease and, except as otherwise provided in this Operating Lease, the Lessor shall not be liable in any way whatsoever to the Lessee for any such delay.

(b) Notwithstanding anything written or agreed in any other Lease Document or agreement with the Supplier, such as in the Sale Contract, the Lessee acknowledges and accepts that the Lessor shall in no way whatsoever be held responsible or be liable to the Lessee for the delay in delivery or the non-delivery of the Leased Yacht. If the Lease Commencement Date has not occurred and a Lease Termination Event is continuing or the delay of delivery of the Leased Yacht, as in clause 3.4 (a) above, is more than the Expected Delivery Period, then the Lessor may (by notice in writing to the Lessee):

(i) Terminate any obligations to purchase the Leased Yacht and/or to lease it to the Lessee pursuant to this Operating Lease; and/or

(ii) require the immediate refund by the Lessee of any payments that the Lessor has already made under the Sale Contract; and/or

(iii) declare that any Pre-Financing Expenses and/or any and all other sums accrued or outstanding under the Lease Documents be immediately due and payable, whereupon they shall become immediately due and payable by the Lessee who shall immediately refund the Lessor accordingly,

and/or, in relation to:

(A) any amounts owed by the Lessee to the Lessor under paragraphs (ii) and (iii) above, the Lessor shall be entitled to exercise its rights to set-off under clause 21 (*Set-off*) against any sums owed or any Downpayment to be refunded by the Lessor to the Lessee at that time; and/or

(B) any rights, remedies or claims against the Supplier under the Sale Contract, the Lessor may (so far as it is reasonably able so to do, and at the request and sole cost of the Lessee) assign or otherwise transfer those rights, remedies or claims to the Lessee, provided however that the Lessee shall not be entitled to commence any proceedings of whatsoever nature in the name of the Lessor nor shall it join the Lessor in any such proceedings, unless required to do so by the Lessor.

4. TERMS OF LEASING, RISK, DELIVERY AND ACCEPTANCE

4.1 Quiet Enjoyment

The Lessor undertakes with the Lessee that, subject to the rights of the Lessor under this Operating Lease or under Applicable Law, the Lessor shall:

(a) not interfere with the quiet use, possession, enjoyment and operation of the Leased Yacht in accordance with this Operating Lease, by the Lessee; and

(b) if required under Applicable Law, provide a Power of Attorney (at the Lessee's cost and expense) in connection with such use, possession, enjoyment and operation of the Leased Yacht by the Lessee.

4.2 Risk

Notwithstanding anything else provided in the Lease Documents or the Sale Contract, from the moment in which the risk connected to each item of the Leased Yacht passes from the Supplier under the terms of the Sale Contract, such risk shall pass automatically and in absolute to the Lessee and, the Parties hereby explicitly agree that at no point in time the Lessor shall bear any risk whatsoever in relation to the Leased Yacht and/or any items thereof.

4.3 Limited Agency

The Lessor hereby appoints the Lessee as the Lessor's agent or representative, and the Lessee agrees to act as the Lessor's agent or representative, in respect of the installation, inspection, testing or commissioning (as applicable) of the Leased Yacht and the delivery and acceptance of the Leased Yacht from the Supplier, but in no other capacity.

4.4 Examination and Inspection

The Lessee shall:

(a) examine each item of the Leased Yacht before its delivery and acceptance;

(b) not accept delivery of any item of the Leased Yacht unless it is properly installed, inspected, tested, commissioned, in good working order, complete, of satisfactory quality, fit for its purpose and otherwise acceptable in all respects; and

(c) after it is satisfied as to the matters referred to in clause 4.4(b), notify the Lessor and shall accept delivery of the Leased Yacht and sign all testing and delivery records or acceptance certificates under the Sale Contract relating to the Leased Yacht.

4.5 Delivery

The Leased Yacht in its entirety shall be deemed to have been delivered to, and accepted by, the Lessee under this Operating Lease, on the passing of title in the Leased Yacht to the Lessor under the Sale Contract. The Lessor, at the sole expense of the Lessee, hereby agrees to register commercially the Leased Yacht in the name of the Lessor, in accordance with its requirements, under the Malta flag and the Lessee hereby undertakes to cooperate fully with the Lessor in order for this to be facilitated. The Parties hereby agree that the Lease Commencement Date shall take place upon successful registration of the Leased Yacht in accordance with this clause. For the avoidance of doubt, registration by way of provisional registration shall be sufficient..

4.6 Record of Delivery

On or before the Lease Commencement Date, the Lessee shall deliver to the Lessor a Record of Delivery (dated on the date of delivery) for each item of the Leased Yacht. The Lessee shall ensure that each Record of Delivery is duly executed by the Lessee and the Supplier.

4.7 Effect of a Record of Delivery

The delivery by the Lessee to the Lessor of the Record of Delivery shall constitute conclusive evidence of the delivery to, and acceptance by, the Lessee under this Operating Lease of the items of the Leased Yacht to which that Record of Delivery relates.

4.8 Leased Yacht

The Lessee:

(a) shall be responsible for any costs in connection with the transportation, delivery, installation or execution of any formalities and/or registration of the Leased Yacht in the name of the Lessor to the extent that such costs are not for the account of the Supplier;

(b) shall not be entitled for any reason to refuse to accept delivery of any item of the Leased Yacht under this Operating Lease unless such refusal is based on clause 4.4. (b) once the Leased Yacht has been acquired by the Lessor under the Sale Contract; and

(c) hereby agrees and accepts that the Leased Yacht shall become subject to all the terms and conditions of this Operating Lease from the date of this Operating Lease, as applicable.

5. RENT AND PAYMENTS

5.1 Rental Payments, Upfront Fees and Other Payments

The Lessee agrees to pay:

(a) on and from the Lease Commencement Date, the Rental Payments; and

(b) on and from the date of this Operating Lease, any Upfront Fees, the Downpayment, Maintenance Fees and any other relevant fees, costs or recharges under this Operating Lease and Schedules, in the broadest sense, and this including any costs and handling fees required in order for the Lessor, or the Lessee, in the Lessor's sole discretion, to adhere to reasonable requests of third parties in relation to the Lease Documents and this Operating Lease,

upon and in accordance with the due dates (including recurring due dates) for payment as specified in the relevant Payment Schedule. Unless agreed otherwise by the Lessor, there shall not be any refund or repayment of any part of the payments made by the Lessee under this clause 5.1 (*Rental Payments, Upfront Fees and Other Payments*).

5.2 Payments under the Operating Lease

(a) The Lessee shall make each payment in relation to, and specified as being payable on, on each due date on which the Lessee is required to make a payment under this Operating Lease.

(b) If the term of any other payment to be effected by the Lessee under the Lease Documents is not specified in the Lease Documents, then such payment shall be made by the Lessee for the relevant and total sum of that payment within three (3) Business Days of the Lessor's request or demand.

5.3 Adjustment of Payment Schedule

In the event that it becomes necessary to amend or update any Payment Schedule (for whatever reason), then the Lessor shall prepare and provide notification of that updated Payment

Schedule to the Lessee which shall, in the absence of manifest error, be binding upon the Lessee with immediate effect.

5.4 No Set-off or Counterclaim

All sums due by the Lessee to the Lessor under the Lease Documents shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

5.5 Unconditional Payment Obligations

The Lessee's obligation to make Rental Payments and to pay any and all other payments in accordance with the Lease Documents is absolute irrespective of any contingency, including:

(a) any unavailability of any item of the Leased Yacht for any reason, including (a) for any lack or invalidity of title to any item of the Leased Yacht, (b) any other defect in the title to any item of the Leased Yacht, (c) arising out of the condition, design, operation, merchantability or fitness for use or purpose of any item of the Leased Yacht, (d) the occurrence of a Total Loss Event and/or (e) any damage to any item of the Leased Yacht;

(b) any failure or delay on the part of either Party, whether with or without fault on its part, in performing under this Operating Lease;

(c) any insolvency, bankruptcy, reorganisation, arrangement, readjustment of debt, dissolution, administration, liquidation or similar proceedings by or against either Party; or

(d) any lack of due Authorisation of or other defect in this Operating Lease.

5.6 Default Interest

(a) If the Lessee fails to pay any sum payable by it under and in accordance with this Operating Lease on its due date, interest shall accrue on the overdue amount from the due date up to the date of actual payment (both before or after judgment, if any) at the Default Rate. Any interest accruing under this clause 5.6 (*Default Interest*) shall be immediately payable by the Lessee on demand by the Lessor.

(b) Default interest (if unpaid) arising on any overdue amount shall be compounded with the total overdue amount at the end of each calendar month but shall remain immediately due and payable by the Lessee.

5.7 Partial Payments

(a) If the Lessor receives a payment that is insufficient to discharge all the amounts then due and payable by the Lessee under the Lease Documents, the Lessor shall set-off that payment against the obligations of the Lessee under the Lease Documents in whatever order as the Lessor shall determine.

(b) Clause 5.7(a) will override any determination made by the Lessee.

5.8 Business Days

Any payment which is due to be made on a day that is not a Business Day shall be made on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not) and such day shall be deemed the due date accordingly.

5.9 Currency of Account

The Applicable Currency shall be the currency of account and payment for any sum due from the Lessee under any and all Lease Documents.

6. LIMITATION OF LESSOR'S LIABILITY

6.1 No Responsibility for Leased Yacht

The Lessee acknowledges and agrees that:

(a) the Lessor is not the original manufacturer or supplier of the Leased Yacht;

(b) the Leased Yacht is approved by the Lessee;

(c) the condition of the Leased Yacht and the items therein on delivery to the Lessee under this Operating Lease is the sole responsibility of the Lessee;

(d) the Lessor is not responsible in any way for the condition and/or use of the Leased Yacht at any time from the entry into force of this Operating Lease till the termination thereof;

(e) each item of the Leased Yacht is satisfactory to the Lessee; and

(f) the Lessor has purchased the Leased Yacht solely for the purpose of leasing the Leased Yacht to the Lessee pursuant to this Operating Lease.

6.2 No Conditions, Warranties or Representations

(a) The Lessee acknowledges and agrees that no condition, warranty or representation of any kind has been or is given or made by the Lessor or any other person on the Lessor's behalf (whether authorised or not), express or implied, whether arising by law or otherwise in relation to the Leased Yacht.

(b) The conditions, warranties and representations referred to in clause 6.2(a) include any conditions, warranties or representations relating to the title to the Leased Yacht or the description, quality, suitability or fitness for any purpose, value, condition, design or operation (of any kind) of the Leased Yacht.

6.3 Exclusion of Liability

The Lessor shall have no responsibility or liability in contract, at law or otherwise for any Loss (including consequential loss) of any kind arising directly or indirectly from:

(a) delay in delivery of or failure to deliver any item of the Leased Yacht;

(b) defect (whether manifest, patent or latent) or alleged defect in any item of the Leased Yacht, or its use or performance;

(c) inadequacy of any item of the Leased Yacht for any purpose, the specifications of the Leased Yacht or the conformity of the Leased Yacht to the provisions and specifications of this Operating Lease or the Sale Contract;

(d) repairs or servicing to any item of the Leased Yacht; and

(e) any interruption in the use of any item of the Leased Yacht or any Total Loss Event.

6.4 No Obligation to Replace the Leased Yacht

The Lessor shall have no obligation to supply to the Lessee a replacement item for any item of the Leased Yacht. The Lessee is fully responsible for any replacement therein.

6.5 Benefit of Supplier's Warranties

(a) The Lessor shall, so far as it is reasonably able so to do (at the request and cost of the Lessee), extend to the Lessee during the Lease Period the benefit of any guarantees or warranties that are given by the Supplier in relation to the Leased Yacht.

(b) Any such guarantee or warranty shall only be extended to the Lessee or enforced by it on terms that the Lessee shall indemnify the Lessor to its satisfaction against any Loss suffered or incurred or which may be suffered or incurred in connection with the enforcement of or the making of a claim under any such guarantee or warranty.

(c) For the avoidance of doubt, the provisions of this clause 6.5 (*Benefit of Supplier's Warranties*) do not entitle the Lessee to commence any proceedings whatsoever in the name of the Lessor.

(d) The Lessor shall not be joined by the Lessee as party to any proceedings whatsoever relating to any guarantee or warranty referred to in this clause 6.5 (*Benefit of Supplier's Warranties*), unless required to do so by the Lessor.

7. TITLE, OWNERSHIP, USE OF LEASED YACHT

7.1 Title and Ownership

(a) The Leased Yacht shall belong to the Lessor and title to, and ownership of, the Leased Yacht shall remain vested in the Lessor.

(b) The Lessee shall have no right, title or interest in or to any part of any item of Leased Yacht except the right to possess and use the Leased Yacht in accordance with this Operating Lease.

(c) The vessel is subject to a First Priority Mortgage to [Bank]., a credit institution duly incorporated under the laws of Malta, with registration number [•], and having its registered office situated at [•] under the Malta Merchant Shipping Act, 1973 as amended. Under the terms of said Mortgage, neither the Owner, any lessee, charterer nor the captain of this Vessel may impose upon this Vessel any lien whatsoever other than for current crew's wages or salvage or collision".

(d) The Parties shall require the consent of [BANK P.L.C]. in the event of the addition or reduction of any party to this lease agreement.

(e) The Parties hereby expressly grant [BANK P.L.C.] the right to receive, process and hold personal data on each of the Parties in terms of applicable Maltese law.

7.2 General

(a) From the Lease Commencement Date and then throughout the duration of the Operating Lease, the Lessee shall have the full use of the Leased Yacht in its capacity as Lessee and operator.

(b) The Lessee shall maintain the Leased Yacht in efficient operating condition and in accordance with good professional maintenance practice.

(c) The Lessee shall, at its expense, by its own procurement and at its own risk, man, victual, navigate, operate, supply, fuel and repair the Leased Yacht whenever required throughout the duration of the Operating Lease and pay all charges and expenses of any kind and nature whatsoever incidental to the use and operation of the Leased Yacht (including the wages of the master and the crew) and generally shall be responsible for the proper technical, nautical and commercial management of the Leased Yacht and shall bear all risks and liabilities attached to the operation of the Leased Yacht. For the avoidance of doubt, the Lessee shall be responsible for all and any costs relating to the use of the Leased Yacht including but not limited to fuel costs, insurance costs, manning costs, repair and maintenance. The Lessee shall also be responsible to keep the Leased Yacht under valid registration and proper renewals.

(d) The Lessee shall keep the Leased Yacht with all required certificates in force at all times and shall be able to justify at any time it has obtained all requisite authorisations with regard to the Leased Yacht's operation.

(e) The Lessee shall, with the cooperation of the Lessor when required and at the Lessee's costs, comply with all legislative and regulatory provisions and usual practices with respect to the operation, identification and registration of the Leased Yacht and documents to be maintained in respect of the Leased Yacht. For this purpose, it shall undertake, at its own expense, all necessary actions and formalities, even those which, customarily or as a result of a legal provision, would otherwise be the responsibility of the Lessor as Lessor or owner of the Leased Yacht.

(f) The Lessee shall, in the operation of the Leased Yacht, respect the safety and hygiene rules, the traffic regulations applicable at sea and in harbour and the rules regarding the control of persons on board, the qualifications of the crew, pollution and, generally, all applicable rules under applicable national or international legislation and the applicable instructions or recommendations of any relevant administrative or other maritime body.

(g) The Lessee shall establish and maintain financial security in respect of oil or other pollution damage as required by any relevant government or any relevant regional, national, federal, state, municipal or other division or authority thereof, to enable the Leased Yacht, without penalty or charge, lawfully to enter, remain at or leave any port, place, territorial or contiguous waters of any relevant region, nation, state, federal authority, state authority or municipal authority in performance of this Operative Lease. This obligation shall apply whether or not such requirements have been lawfully imposed by such government or division or authority thereof. The Lessee shall make

and maintain all arrangements accordingly or otherwise to satisfy such requirements at the Lessee's sole expense and the Lessee shall indemnify the Lessor against all consequences whatsoever for any failure or inability to do so.

(h) The Lessee shall submit the Leased Yacht, at its entire and exclusive expense, to all tests or surveys required by law or in accordance with recognised market practice, including in particular all periodic or annual checks, departure visits and inspections required by law or in accordance with such practice.

(i) The Lessee shall not operate the Leased Yacht under conditions which could subject it to undue risks or to penalties, transport merchandise whose carriage could subject the Leased Yacht to any significant risk of seizure, forfeiture or capture or to penalties of a nature that could disturb its normal operation or operate the Leased Yacht under conditions or in locations which could result in the invalidation or impairment of all or any part of the Insurances.

(j) The master, officers and crew of the Leased Yacht shall be agents of the Lessee for all purposes whatsoever. The Lessee undertakes to indemnify the Lessor for any damages or loss that the Lessor may suffer as a result of the fraud of the master of the Leased Yacht and/or the crew and from the wilful misconduct of the master or the crew of the Leased Yacht. The master, officers and crew of the Leased Yacht shall be employed by the Lessee and the Lessee shall be responsible for the payment of any wages, taxes or contributions, in any jurisdiction, in relation to the employment of the master, officers and crew of the Leased Yacht and the Lessor is hereby indemnified in relation thereof.

(k) If due to an action or inaction of the Lessee, or of any person having possession or use of the Yacht from time to time, the master of the Yacht and/or the crew, fines are imposed on the Lessor, or a guarantee must be given or a deposit must be made as a guarantee against injury to third parties, the Lessee will be personally responsible therefore and shall indemnify the Lessor from and against all consequences, including any costs or expenses, payments or responsibility, in respect thereof.

(l) Deviations made in the course of any assistance or salvage or rescue operation shall not give rise to a reduction or suspension of Rental Payments and the expenses of all types incurred as a result of such assistance or salvage or rescue operation shall be borne exclusively by the Lessee vis-à-vis the Lessor. Any remuneration for such assistance or salvage or rescue operation shall be paid in full to the Lessee direct or (if received by the Lessor) promptly be fully paid over to the Lessee.

(m) The Lessee may, in its sole discretion and at its own expense, decide to contract all or part of the operation of the Leased Yacht to a manager or to any other contractors it may elect in its sole discretion provided that (i) the Lessee shall remain fully responsible vis-à-vis the Lessor concerning the operation of the Leased Yacht, (ii) the Lessee shall hold the Lessor harmless from any action or damage deriving from or in connection with such contracting of the operation of the Leased Yacht and it shall indemnify the Lessor for any damage or loss suffered in connection with the operation of the Leased Yacht, (iii) the Lessee and each of the contractors agree for a subordination of all and any of their rights to the rights of the Lessor. To this end, the Lessee undertakes to provide the Lessor with a copy of such contract concerning the operation of the Leased Yacht within fifteen (15) days from the date of its signature and the Lessee shall procure that the manager or contractor signs and executes any such document evidencing said subordination as may be required by the Lessor. The Lessee therefore hereby undertakes not to enter into any such contract/s in relation to the

operation of the Leased Yacht should this provision, in its entirety, not be able to be adhered to in such contract/s.

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7.3 Sub-Letting

The Lessee shall not, without the prior written consent of the Lessor, sub-let or voluntarily part with the possession or operational control of any item of the Leased Yacht (except for the purposes of maintenance, repair, addition, alteration or modification permitted pursuant to this Operating Lease, and in such cases the Lessor shall be kept informed).

7.4 Protection of Lessor

The Lessee shall take, or procure the taking of, all necessary steps to safeguard the Lessor's rights in respect of the Leased Yacht and shall not do or permit to be done anything that jeopardises the rights of the Lessor in the Leased Yacht or deliberately omit to do anything that would prevent those rights from being jeopardised.

7.5 Confiscation

(a) The Lessee shall prevent any item of the Leased Yacht being removed from its possession and the confiscation, distress, execution, impounding, forfeiture, requisition for title or seizure of any item of the Leased Yacht.

(b) The Lessee shall immediately procure the release from confiscation, distress, execution, impounding, forfeiture and requisition for title or seizure of the Leased Yacht in any manner possible.

7.6 Third Parties

The Lessee shall make clear to third parties that title to the Leased Yacht is held by the Lessor in circumstances and on occasions where the ownership of the Leased Yacht may be relevant.

7.7 Inspection

The Lessor, the Designated Agent or any other duly authorised representative of the Lessor shall at all times be entitled, following pre-notification, to enter and have access to the Leased Yacht to inspect the state of the Leased Yacht, the marking of the Leased Yacht and the manner of use of the Leased Yacht and performance of the Lessee's other obligations under this Operating Lease. The Lessee shall fully co-operate with the Lessor in this respect, and is obliged to allow such access.

8. TAX

8.1 VAT

All payments by the Lessee under this Operating Lease shall be subject to VAT in accordance with the applicable rates at law.

8.2 Tax Indemnity

(a) The Lessee shall, within three (3) Business Days of a demand by the Lessor, pay to the Lessor an amount equal to the Loss which the Lessor determines will be or has been

(directly or indirectly) suffered for or on account of Tax by the Lessor in respect of any stamp duty, registration and other similar Taxes payable in respect of any Lease Document.

(b) If the Lessor makes, or intends to make, a claim under clause 8.2(a), then it shall promptly notify the Lessee in writing of the event which will give, or has given, rise to the claim.

9. INCREASED COSTS

9.1 Increased Costs

(a) Subject to clause 9.2 (*Exceptions*) the Lessee shall, within three (3) Business Days of a demand by the Lessor, pay to the Lessor the sum of any Increased Costs incurred by the Lessor as a result of (i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation or (ii) compliance with any law or regulation made after the date of this Operating Lease.

(b) In this Operating Lease **"Increased Costs"** means:

(i) an additional or increased cost; or

(ii) a reduction of any amount due and payable under any Lease Document,

which is incurred or suffered by the Lessor to the extent that it is attributable to the Lessor funding or performing its obligations under any Lease Document.

9.2 Exceptions

Clause 9.1 (*Increased Costs*) does not apply to the extent any Increased Cost is:

(a) compensated for by an increased payment under clause 8.1 (*VAT)*;

(b) compensated for by clause 8.2 (*Tax Indemnity*) (or would have been compensated for under clause 8.2 (*Tax Indemnity*) but was not so compensated solely because any of the exclusions in clause 8.2 (*Tax Indemnity*) applied; or

(c) attributable to the wilful breach by the Lessor of any law or regulation.

10. OTHER INDEMNITIES

10.1 Other Indemnities

The Lessee shall, within three (3) Business Days of demand from the Lessor or any other Indemnified Person, indemnify the Lessor and any other Indemnified Person against any Loss, including for any legal or professional fees incurred in relation therein, incurred by the Lessor or that Indemnified Person as a result of, or in connection with:

(a) the occurrence of any Lease Termination Event;

(b) any delay or non-delivery of the Leased Yacht, or the exercise by the Lessor of its rights under clause 3.4 (*Delay to Lease Commencement Date*);

(c) a failure by the Lessee to pay any amount due under a Lease Document on its due date;

(d) investigating any event which the Lessor or Indemnified Person reasonably believes is a Lease Termination Event;

(e) acting or relying on any notice, request or instruction from the Lessee which the Lessor or Indemnified Person reasonably believes to be genuine, correct and appropriately authorised;

(f) any costs attributable to all or any part of a Rental Payment or any other amount due under this Operating Lease or Lease Document being paid by the Lessee on a day other than the day on which it was originally scheduled to be paid;

(g) the purchase, testing, design, manufacture, delivery, late delivery, non-delivery, purchase, importation, ownership, letting, sub-letting, possession, control, use, misuse, operation, maintenance, repair, replacement, refurbishment, modification, overhaul, insurance, sale or other disposal, return or storage of, or Loss to, the Leased Yacht, or any of its items therein, or otherwise in connection with the Leased Yacht and regardless of:

(i) whether or not such Loss is attributable to any defect related to the Leased Yacht or to the design, construction or use of any item of the Leased Yacht or to any other reason; and

(ii) when that Loss arises;

(h) preventing or attempting to prevent the arrest, confiscation, seizure, taking in execution, impounding, forfeiture, nationalisation, expropriation, or detention of any item of the Leased Yacht, or in securing or attempting to secure the release of any item of the Leased Yacht, or the Leased Yacht itself;

(i) the occurrence of a Total Loss Event; or

(j) the subsequent sale of the Leased Yacht or any part of the Leased Yacht pursuant to this Operating Lease or any other Lease Document including broker's commissions, redelivery expenses (if any), marketing expenses, legal expenses, storage, insurance and any other expenses of the Lessor or the Designated Agent incurred pending the sale or disposal of the Leased Yacht or otherwise in connection with the sale or disposal of the Leased Yacht.

10.2 Survival of Indemnities

The indemnities contained in this Operating Lease in favour of the Lessor and the other Indemnified Persons shall survive any termination or other ending or expiry of the Lease Period and any breach of this Operating Lease or repudiation or alleged repudiation of this Operating Lease by the Lessee.

11. COSTS AND EXPENSES

11.1 Amendment Costs

If an amendment, waiver or consent is required under this Operating Lease or any other Lease Document, the Lessee shall, within three (3) Business Days of demand, reimburse the Lessor for the amount of all costs and expenses (including any legal fees) reasonably incurred by the Lessor in responding to, evaluating, negotiating or complying with that request or requirement.

11.2 Enforcement Costs

The Lessee shall, within three (3) Business Days of demand, pay to the Lessor the amount of all costs and expenses (including legal fees) incurred by the Lessor in connection with the enforcement of, or the preservation of any rights under, any Lease Document.

12. REPRESENTATIONS AND WARRANTIES

The Lessee makes the representations and warranties set out in this clause 12 (*Representations and Warranties*) to the Lessor on the date of this Operating Lease and each representation and warranty shall continue to bind the Lessee throughout the entire Lease Period and enforcement of this Operating Lease.

12.1 Status of Lessee

The Lessee is duly incorporated and validly existing under the law of the Republic of Malta.

12.2 Binding Obligations

Subject to any Legal Reservations, the obligations expressed to be assumed by the Lessee in this Operating Lease and the other Lease Documents are legal, valid, binding and enforceable obligations.

12.3 Non-Conflict with Other Obligations

The entry into and performance by the Lessee of, and the transactions contemplated by, the Lease Documents do not and will not conflict with:

(a) subject to any Legal Reservations, any law or regulation applicable to it;

(b) its constitutional documents; or

(c) any agreement or instrument binding upon it, and the Leased Yacht and any of its items therein.

12.4 Power and Authority

The Lessee has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, the Lease Documents and the transactions contemplated by the Lease Documents.

12.5 Deduction of Tax

The Lessee is not required to make any deduction for or on account of Tax from any payment it may make under any Lease Document.

12.6 No Default

No Lease Termination Event (or any event or circumstance that, with the lapse of time, giving of notice or otherwise, would be a Lease Termination Event) has occurred or is continuing.

12.7 No Misleading Information

Any factual information provided by the Lessee is true and accurate in all material respects as at the date it was provided or as at the date (if any) at which it is stated.

12.8 *Pari Passu* Ranking

The Lessee's payment obligations under the Lease Documents rank at least *pari passu* with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies and to vessels generally.

12.9 No Proceedings Pending or Threatened

No litigation, arbitration or administrative proceedings of or before any court, arbitral body, tribunal or agency have (to the best of its knowledge and belief) been started or threatened against the Lessee.

13. INFORMATION UNDERTAKINGS

The undertakings in this clause 13 (*Information Undertakings*) remain in force from the date of this Operating Lease for so long as any sum or obligation is outstanding under the Lease Documents.

13.1 Information: Miscellaneous

The Lessee shall supply to the Lessor:

(a) promptly upon becoming aware of them, the details of any litigation, arbitration or administrative proceedings which are current, threatened or pending against the Lessee;

(b) promptly upon becoming aware of them, the details of any defect (whether manifest, patent or latent) or alleged defect in any item of the Leased Yacht, or its use or performance; and

(c) promptly, such further information regarding the Leased Yacht or the financial condition of the Lessee as the Lessor may reasonably request.

13.2 Notification of Default

The Lessee shall notify the Lessor in writing of:

(a) any Lease Termination Event; or

(b) any event or circumstance which would (with the expiry of a grace period, the giving of notice, the making of any determination or any combination of the foregoing) be a Lease Termination Event,

promptly upon becoming aware of its occurrence, along with details of the steps (if any) being taken to remedy it.

13.3 "*Know Your Customer*" Checks

If:

(i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation made after the date of this Operating Lease; or

(ii) any change in the status of the Lessee after the date of this Operating Lease; or

(iii) a proposed assignment or transfer by the Lessor of any of its rights and obligations under this Operating Lease to another party,

obliges the Lessor (or, in the case of paragraph (iii), any prospective new Lessor) to comply with "*know your customer*" or similar identification procedures in circumstances where the necessary information is not already available to it, the Lessee shall promptly upon the request of the Lessor supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Lessor (for itself or, in the case of the event described in paragraph (iii), on behalf of any prospective new Lessor) in order for the Lessor or, in the case of the event described in paragraph (iii), any prospective new Lessor to carry out and be satisfied it has complied with all necessary "*know your customer*" or other similar checks under all applicable laws and regulations, including any prevention of money laundering and financing of terrorism related laws and regulations, pursuant to the transactions contemplated in the Lease Documents.

13.4 Data Protection

The Lessee confirms that it is aware of the provisions of the Data Protection Law and that it acknowledges, agrees to and consents that for purposes of performance of this Operating Lease or any Lease Document, personal data might be collected and/or processed in relation to it, its operations or any obligations hereunder as required.

14. GENERAL UNDERTAKINGS

The undertakings in this clause 14 (*General Undertakings*) remain in force from the date of this Operating Lease for so long as any sum or obligation is outstanding under the Lease Documents.

14.1 Authorisations

The Lessee shall promptly:

(a) obtain, comply with and do all that is necessary to maintain in full force and effect; and

(b) supply certified copies to the Lessor of,

any Authorisation required under any law or regulation of its jurisdiction of incorporation, or any other jurisdiction if applicable, to enable it to perform its obligations under the Lease Documents and to ensure the legality, validity, enforceability or admissibility in evidence in its jurisdiction of incorporation, or any other jurisdiction if applicable, of any Lease Document. Without limiting the forgoing, the Lessee shall promptly obtain, comply with and do all that is necessary to maintain in full force and supply a certified copy to the Lessor of any Authorisation that is required under any applicable law or regulation in relation to the Leased Yacht, to enable the Lessee to possess or use the Leased Yacht, and in relation to the port, yard, sea, land or premises at which the Leased Yacht is located.

14.2 Location of Leased Yacht

Subject to the limitations of the Leased Yacht's registration, licence or Insurances, the Lessee may use the Leased Yacht on any sea, provided that the Lessee shall keep the Lessor informed if the Leased Yacht leaves the Mediterranean Sea, and in any event, shall keep the Lessor informed of the Leased Yacht's location immediately upon request of the Lessor and shall include reasonable proof thereof.

14.3 Use of Leased Yacht and Compliance with Laws

The Lessee shall:

(a) comply in all respects with all laws to which it may be subject, especially if failure so to comply would materially impair its ability to perform its obligations under the Lease Documents;

(b) not cause or permit any item of the Leased Yacht to be employed, used or operated in any manner contrary to any law or regulation;

(c) procure that each item of the Leased Yacht, and the Leased Yacht itself, is employed, used or operated:

(i) in a skilful, careful and proper manner;

(ii) only for the purpose for which it was designed;

(iii) in accordance with and subject to all instructions issued by the manufacturer;

(iv) in accordance with and subject to any restrictions such as in accordance with the Insurances; and

(v) in accordance with and subject to all applicable laws and regulations; and

(d) comply, and shall ensure that each item of the Leased Yacht complies, with all obligations imposed on the Lessee and the Lessor in relation to the Leased Yacht by and all other obligations applicable to the Leased Yacht pursuant to, any applicable law or regulations (including any health and safety or environmental law or regulations).

14.4 Repair

The Lessee shall keep each item of the Leased Yacht in a good, safe and serviceable condition and state of repair (fair wear and tear excepted):

(a) consistent with first-class operating and management practice of the highest standards; and

(b) strictly to the standard and at the service intervals recommended by the manufacturer of that item of the Leased Yacht.

14.5 Lessor's Credit

The Lessee shall not (either directly or indirectly) pledge the Lessor's credit for any repairs, nor shall it offer any lien or otherwise hold itself out as having any power to charge or otherwise encumber any item of the Leased Yacht or any interest in any item of the Leased Yacht.

14.6 Additions, alterations and modifications etc.

(a) Subject to clause 14.6(b), the Lessee shall not make additions, alterations or modifications to, or remove any part of, any item of the Leased Yacht.

(b) The Lessee may make additions, alterations or modifications to, or remove parts from, any item of the Leased Yacht if such addition, alteration, modification or removal is:

(i) required by applicable law or regulation; and

(ii) intended to improve the performance or safety of that item of the Leased Yacht and is approved by the manufacturer of the Leased Yacht.

(c) Any addition, alteration or modification to any item of the Leased Yacht shall become the property of the Lessor.

(d) The Lessee shall keep the Lessor informed of any such additions, alterations, modifications or removals.

14.7 Manuals and Technical Records

The Lessee shall:

(a) maintain all such records, information and documents that are required to be maintained in respect of the Leased Yacht in order to comply with any applicable law or regulation and in accordance with first-class ownership, operating and management practice of the highest standards;

(b) keep accurate, complete and up to date records of the location of each item of the Leased Yacht and of all maintenance, repairs, additions, alterations and modifications to, and removal of parts from, each item of the Leased Yacht;

(c) keep and maintain up to date and accurate records or documents as required by any applicable law in relation to the Leased Yacht and to the captain, officers and employees on board the Leased Yacht at any time; and

(d) permit the Lessor or its representatives at any time and on reasonable notice to examine and take copies of such records, information and documents.

14.8 Discharge of Liabilities

The Lessee shall promptly discharge:

(a) all liabilities which give or may give rise to claims enforceable against the Leased Yacht or the Lessor;

(b) all Taxes and other amounts payable in respect of the Leased Yacht or this Operating Lease; and

(c) all other outgoings in respect of the Leased Yacht.

14.9 Information in Relation to Taxes

The Lessee shall, at the request of the Lessor, promptly furnish to any relevant tax authority, or otherwise, such information and copies of such records, information and documents as may be legally required to be so furnished about the acquisition of the Leased Yacht, the leasing of the Leased Yacht pursuant to this Operating Lease or the use to which the Leased Yacht is being (or has been) put.

14.10 Liability in Relation to Occupants

The Lessee shall hereby indemnify and hold harmless the Lessor from any claims, responsibility, liability or any Loss whatsoever in relation to any accident, injury or death, or any loss or damage (including for stolen property) in relation to the captain, officers or employees, as well any third parties or guests on board of the Leased Yacht at any time throughout the Lease Period and enforcement of this Operating Lease. The Lessee hereby also indemnifies and holds the Lessor harmless from and against any and all claims, including but not limited to claims for Loss or damage to property or for injury to or death of any person, resulting from or arising out of: (a) occupants; (b) all swimming, diving, operation of any other watercraft, and any other aquatic activity; and (c) the loss of or damage to the personal property of any person that took place while such personal property was carried in or on the Leased Yacht, including without limitation, Loss or damage caused by fire, water, theft or any other cause whatsoever.

15. INSURANCES

15.1 Insurances

(a) During the Lease Period and in any event upon the passing of title in the Leased Yacht to the Lessor under the Sale Contract, the Lessor shall use reasonable commercial endeavours to keep the Leased Yacht insured against all loss or damage through brokers and with insurance companies or underwriters selected by the Lessor with cover in an amount acceptable to the Lessor, and in the sole discretion of the Lessor, after taking into consideration (i) the new replacement value of the Leased Yacht from time to time and (ii) the Lease Termination Sum (as defined and referred to in Part 2 *(Other Fees, Costs and Recharges)* of Schedule 2 *(Payment Schedule)* and/or any amendment thereto) from time to time applicable to the relevant period of insurance.

(b) The Lessee shall pay Lease Administration Fees including Insurances Premium in accordance with Part 2 *(Other Fees, Costs and Recharges)* of Schedule 2 *(Payment Schedule)* and/or any amendment thereto, to the Lessor in accordance with the relevant provisions of clause 5 (*Rental and Payments*), in order to cover any premiums and the Lessor's costs and expenses in connection with clause 15.1(a). In the event that the Lessee does not pay any Lease Administration Fees including any Insurances Premium as above, upon the due dates of such payments in accordance with this Operating Lease or the Insurances themselves, the Lessor may pay all such amounts necessary in order to continue to insure the Leased Yacht and keep the Leased Yacht insured against all loss or damage. The Lessee shall immediately indemnify the Lessor in respect of any/all amount/s paid by the Lessor under this said clause and in any event within three (3) Business Days of request.

(c) During the Lease Period, the Lessee shall also be required to maintain adequate insurance covering all third-party liability risks (in an amount agreed by the Lessor), and coverage for any other risks in relation to its use and operation of the Leased Yacht as required by law or requested by the Lessor.

(d) The Lessee hereby agrees that the Leased Yacht shall not be used or operated in any way without the proper Insurances in place in accordance with this Operating Lease. The Lessee moreover acknowledges and agrees that this shall not constitute a breach of use under this Operating Lease and shall therefore not constitute a Lease Termination Event.

(e) The Lessee hereby agrees, without requiring further consent, that the Lessor shall have the right to pledge the insurance proceeds to the mortgagee, as specified in Clause 7.1(c) (*Title and Ownership*).

15.2 Principal Terms of Insurances

The Lessor (or the Lessee) shall use reasonable commercial endeavours to procure that the Insurances shall, in relation to all Insurances taken by the Lessor (or the Lessee) in furtherance to clause 15(a) and 15(c):

(a) name the Lessor as named assured for its rights and interests, warranting no operational interest and with full waiver of rights of subrogation against the Lessee (or the Lessor, as applicable);

(b) name the Lessor as loss payee with such directions for payment as the Lessor may specify;

(c) provide that all payments by or on behalf of the insurers under the Insurances to the Lessor are made without set-off, counterclaim, deduction or condition;

(d) provide that the Lessor may provide proof of loss if the Lessee fails to do so; and

(e) provide that, if any of the Insurances are cancelled by the insurer for any reason or any of its terms are materially changed, such cancellation or change shall not be effective for thirty (30) days after written notice to the Lessor of such cancellation or change.

15.3 Compliance with Terms of Insurances

The Lessee shall not do nor omit to do, or permit to be done or not to be done, anything that would or might render any Insurances invalid, void, voidable or unenforceable or render any sum payable under any of the Insurances as being repayable.

15.4 Alteration to terms of Insurances

The Lessee shall not request or attempt to request any alteration to any Insurances or waive any right relating to any Insurances.

15.5 Settlement of Claims

The Lessee shall do all things necessary, in an expedient manner, and provide all documents, evidence and information to enable the Lessor to collect or recover any sums that at any time become payable in respect of the Insurances.

15.6 Total Loss Event

(a) If the Leased Yacht suffers a Total Loss Event, the lease thereof shall immediately terminate and the Lessee shall be immediately liable to pay to the Lessor forthwith a Lease Termination Sum in respect of the Leased Yacht.

(b) Payment of such sum may be satisfied by the receipt of the relevant insurance proceeds in respect of the Leased Yacht, provided that if the amount of such insurance proceeds shall be less than the applicable Lease Termination Sum then the Lessee shall indemnify the Lessor in respect of the amount of such deficiency and until such time as the Lessor has received an amount equal to the applicable Lease Termination Sum the obligations of the Lessee shall continue in all respects under this Operating Lease and the Lessee shall, in particular, continue to be liable to make Rental Payments.

(c) In the event that the relevant insurance proceeds exceed the applicable Lease Termination Sum, then any excess shall be paid by the Lessor to the Lessee by way of a rebate of Rental Payments.

(d) Upon settlement being made in full under this clause 15.6 (*Total Loss Event*), the Lessor shall transfer to the relevant insurer or the Lessee (if applicable) the ownership of (or any residual rights to) the Leased Yacht in their then existing condition together with whatever legal rights (if any) that the Lessor may have against third parties in respect of the Leased Yacht, provided however that the Lessor shall not in any way be responsible for the working condition, function or quality of the Leased Yacht or the financial ability of any such third parties (nor shall the Lessor be deemed to have made any representation or warranties whatsoever as to the validity of any such transfer or the ability to sustain any such claims at law).

16. POWER OF THE LESSOR TO REMEDY

16.1 Power to Remedy

If the Lessee fails to comply with any provision or requirement of this Operating Lease, the Lessor or the Designated Agent may take all steps necessary to effect compliance with such provision. This may include any possible remedies in accordance with any applicable law, including legal proceedings or issuance of appropriate warrants.

16.2 Liability

The Lessor shall not be obliged to take any steps pursuant to clause 16.1 (*Power to Remedy*) and shall have no liability as a result of the taking or non-taking of any such steps.

16.3 Lease Termination Events

The exercise by the Lessor of any of its powers pursuant to clause 16.1 (*Power to Remedy*) shall be without prejudice to the right of the Lessor to treat the Lessee's non-compliance as a Lease Termination Event.

17. LEASE TERMINATION EVENTS

Each of the events or circumstances set out in this clause 17 (*Lease Termination Events*) is a Lease Termination Event (save for clause 17.14 (*Acceleration*)). The Lease Termination Events specified in clause 17.1 (*Non-Payment*) to clause 17.4 (*Misrepresentation*) are fundamental terms and conditions of this Operating Lease and the occurrence of any such Lease Termination Event shall go to the root of this Operating Lease. Accordingly, the occurrence of such a Lease Termination Event shall be a serious breach of this condition and shall constitute a serious breach of this Operating Lease by the Lessee.

17.1 Non-Payment

The Lessee does not pay within ten (10) Business Days of the due date any sum payable pursuant to this Operating Lease.

17.2 Insurances

The Lessee does anything, or omits to do anything, which causes any of the Insurances to lapse, to be voided or otherwise terminated.

17.3 Other Obligations

(a) The Lessee does not comply with any provision of the Lease Documents (other than those referred to in clause 17.1 (*Non-Payment*) and clause 17.2 (*Insurances*)).

(b) No Lease Termination Event under clause 17.3(a) will occur if the failure to comply is capable of remedy and is remedied within fifteen (15) Business Days of the earlier of (A) the Lessor giving notice in writing to the Lessee and (B) the Lessee becoming aware of the failure to comply.

17.4 Misrepresentation

Any representation or statement made or deemed to be made by the Lessee in the Lease Documents or any other document delivered by or on behalf of the Lessee under or in connection with any Lease Document is or proves to have been incorrect or misleading in any material respect when made or deemed to be made.

17.5 Cross Default

Any indebtedness of the Lessee:

(a) owed to the Lessor under any other operating lease or other financing arrangement; or

(b) owed to any third parties and exceeding (in aggregate) the Applicable Third Party Default Threshold,

is not paid when due or within any originally applicable grace period or is declared to be or otherwise becomes payable before its specified maturity as a result of an event of default (however described).

17.6 Insolvency

(a) The Lessee is unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness; or

(b) A postponement is declared in respect of any indebtedness of the Lessee.

17.7 Insolvency Proceedings

Any corporate action, legal proceedings or other procedure or step is taken in relation to:

(a) the suspension of payments, a postponement of any indebtedness, winding-up, dissolution, liquidation, bankruptcy, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Lessee;

(b) a composition, compromise, assignment or arrangement with any creditor of the Lessee;

(c) the appointment of a liquidator, receiver, trustee in bankruptcy, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Lessee or any of its Yacht; or

(d) enforcement of any Security or other third party interests over any material assets of the Lessee,

or any analogous procedure or step is taken in any jurisdiction, provided however that this clause 17.7 (*Insolvency Proceedings*) shall not apply to any winding-up petition which is frivolous or vexatious and is discharged, stayed or dismissed within thirty (30) days of commencement.

17.8 Creditors' Process

Any expropriation, attachment, sequestration, distress or execution affects the Leased Yacht or any other asset of the Lessee and is not discharged within thirty (30) days.

17.9 Litigation or Other Proceedings

Any litigation, arbitration, administrative or other proceedings or disputes are commenced in relation to or against the Lessee, the Leased Yacht or any of its other assets.

17.10 Expropriation or Nationalisation

The government or any agency thereof seizes, expropriates, nationalises, compulsorily acquires or confiscates (or a regulation is pronounced, passed or effected which has the purpose or effect of seizing, expropriating, nationalising, compulsorily acquiring or confiscating) the Leased Yacht.

17.11 Credit Support Documents

The Security or surety purported to be created under or pursuant to the Credit Support Documents does not have, or ceases to have, the effect or priority it is expressed or intended to have under the terms of the Credit Support Documents.

17.12 Repudiation or Abandonment

The Lessee:

(a) repudiates a Lease Document or evidences an intention to repudiate a Lease Document; or

(b) abandons or threatens to abandon the Leased Yacht.

17.13 Total Loss Event

A Total Loss Event occurs.

17.14 Acceleration

On and at any time after the occurrence of a Lease Termination Event under clause 17.1 to 17.13 herein as well as any other relevant provisions under this Operating Lease (and excluding clause 17.15 hereunder) which is continuing the Lessor may, by notice in writing to the Lessee:

(a) elect to terminate immediately the leasing of the Leased Yacht under this Operating Lease; and/or

(b) take steps to repossess the Leased Yacht, whether directly or through its Designated Agent; and/or

(c) declare that the Lease Termination Sum and all other sums accrued or outstanding under the Lease Documents be immediately due and payable by the Lessee, whereupon they shall become immediately due and payable; and/or

(d) enforce (or exercise any or all of its rights, remedies, powers or discretions in respect of) the Lease Documents including, where relevant, any Credit Support Document or cashing any security cheques.

17.15 Lessor's Default

The Lessor is unable to perform its obligations under any Security granted and given by it in furtherance to the Leased Yacht, and this not through any act, omission, or negligence of the Lessee.

Provided that on and at any time after the occurrence of such Lease Termination Event (under clause 17.15 herein) which is continuing, the Lessor shall be in its rights to:

(a) Take all steps necessary to effect compliance and remedy such Lease Termination Event; and/or

(b) By notice in writing to Lessee elect to terminate immediately the leasing of the Leased Yacht under this Operating Lease; and/or

(c) By notice in writing to Lessee enforce (or exercise any or all of its rights, remedies, powers or discretions in respect of) the Lease Documents including, where relevant, any Credit Support Document or cashing any security cheques.

Provided further that this clause 17.15 shall be deemed a residual Lease Termination Event and shall not be invoked unless no occurrence of any other Lease Termination Event under clause 17.1 to 17.13 has taken place or can be argued to have taken place.

18. REDELIVERY

18.1 Redelivery

(a) On the termination or expiry of the Lease Period, the Leased Yacht must be (i) free from all encumbrances other than those constituted by the Lessor, (ii) in as good a functional and maintenance condition as when delivered to the Lessee on Delivery, subject only to wear and tear resulting from the normal use of the Leased Yacht and not affecting class, but with all operations, equipment and furnishings maintained in accordance with the normal refurbishment cycle of the Leased Yacht in a condition complying with all other provisions hereof and (iii) if the Leased Yacht is redelivered prior to the termination date, in a condition such as to enable the Lessor immediately to charter the Yacht to another lessee (the Lessor reserving the right to require any such

equipment and furnishings to be replaced or refurbished if they are not in a condition appropriate for the operation of a similar yacht).

(b) The place of redelivery shall be as agreed between the Lessee and the Lessor. In the absence of such agreement, the Lessor shall notify the Lessee in writing of the port where the Leased Yacht shall be returned, and the Lessee shall comply with such notification.

(c) The bunkers, unused oil, spare parts and consumables stored on the Leased Yacht at the moment of its return shall become, free of charge, the property of the Lessor on the date of return. The parts, equipment and appurtenances shall be transferred, free of cost, to the Lessor on the date of return of the Leased Yacht unless the Lessor shall require that they be removed, and this at the sole cost of the Lessee.

(d) The costs of the redelivery of the Leased Yacht, as well as the costs relating to the repair and replacement of parts and, if applicable, of restoring the Leased Yacht to the condition in which it is required herein to be on return, shall be borne wholly and exclusively by the Lessee.

(e) At the time of the redelivery, all safety and classification certificates shall have a minimum validity of six (6) months, and the Lessee shall endeavour to update or re-issue any safety and classification certificates that do not conform to this obligation. The Lessee shall deliver to the Lessor all the ship-board documents of the Yacht, including the safety and classification certificates and, more generally, all documents useful or necessary for the operation of the Leased Yacht.

18.2 Lessor's Rights to Retake Possession

(a) Upon the termination or expiry of the Lease Period or the Operating Lease, whichever is earlier, the Lessee shall no longer be in possession of the Leased Yacht upon the consent of the Lessor and the Lessor shall be entitled to retake possession of the Leased Yacht in any way it deems suitable, if it is not returned in accordance with clause 18.1 (*Redelivery*). Clause 18.1 (a) shall nonetheless apply.

(b) (a) Upon the termination or expiry of the Lease Period or the Operating Lease, whichever is earlier, the Lessor, the Designated Agent or any other duly authorised representative of the Lessor may enter the Leased Yacht, without need of prior authorization or notification in order to inspect the Leased Yacht and for the purposes of retaking possession of the Leased Yacht. The Lessee shall fully co-operate with the Lessor in this respect. For the avoidance of doubt, the Lessee is obliged to return the Leased Yacht to the Lessor, under any circumstance, upon termination or expiry of the Lease Period or the Operating Lease, whichever is earlier.

19. ASSIGNMENT AND TRANSFER

19.1 Assignments and Transfers by Lessor

The Lessor (for the purposes of this clause 19 the **"Existing Lessor"**) may dispose of any of its rights or obligations under this Operating Lease or dispose of any item of the Leased Yacht,

or any of its rights in and to any item of the Leased Yacht, subject to and with the benefit of this Operating Lease, to another person (a **"New Lessor"**).

19.2 Limitation of Responsibility of Existing Lessor

(a) Unless expressly agreed to the contrary, the Existing Lessor makes no representation or warranty and assumes no responsibility to the New Lessor for:

(i) the legality, validity, effectiveness, adequacy or enforceability of the Lease Documents or any other documents;

(ii) the operating conditions of the Lessee;

(iii) the performance and observance by the Lessee of its obligations under the Lease Documents or any other documents; or

(iv) the accuracy of any statements (whether written or oral) made in or in connection with any Lease Document or any other document,

and any representations or warranties implied by law are hereby explicitly excluded.

(b) The New Lessor shall confirm to the Existing Lessor that it:

(i) has made (and shall continue to make) its own independent investigation and assessment of the financial condition and affairs of the Lessee and its related entities in connection with its participation in this Operating Lease and has not relied exclusively on any information provided to it by the Existing Lessor in connection with any Lease Document; and

(ii) will continue to make its own independent appraisal of the creditworthiness of the Lessee and its related entities whilst any amount is or may be outstanding under the Lease Documents.

(c) Nothing in any Lease Document obliges the Existing Lessor to (and is hereby indemnified thereof):

(i) accept a re-transfer or re-assignment from the New Lessor of any of the rights and obligations assigned or transferred under this clause 19 (*Assignment and Transfer*); or

(ii) support any Loss directly or indirectly incurred by the New Lessor by reason of the non-performance by the Lessee of its obligations under the Lease Documents or otherwise, and this including any Loss directly or indirectly incurred by the New Lessor prior to and in the process of finalising the transfer or assignment herein whether successful or not.

19.3 No Assignment or Transfer by Lessee

The Lessee may not assign any of its rights or transfer any of its rights or obligations under the Lease Documents.

20. CONDUCT OF BUSINESS BY THE LESSOR

20.1 Taxation and Other Affairs

No provision of this Operating Lease will:

(a) interfere with the right of the Lessor to arrange its affairs (tax or otherwise) in whatever manner it thinks fit;

(b) oblige the Lessor to investigate or claim any credit, relief, remission or repayment available to it or the extent, order and manner of any claim; or

(c) oblige the Lessor to disclose any information relating to its affairs (tax or otherwise) or any computations in respect of Tax.

20.2 No Consequential or Indirect Loss

Nothing in this Operating Lease shall give rise to any liability whatsoever for the Lessor or any Indemnified Person with respect to any special, indirect, consequential or punitive damages. The Lessee irrevocably and unconditionally waives, releases and agrees not to sue upon, or make any claim in respect of any special, indirect, consequential or punitive damages (whether or not accrued, and whether or not known or suspected to exist in its favour).

21. SET-OFF

The Lessor may in its sole discretion, set-off any matured obligation of payment due from the Lessee under the Lease Documents (to the extent that it is owed to the the Lessor) against any matured obligation of payment owed by the Lessor to the Lessee, regardless of the place of payment, booking branch or currency of either obligation of payment. If the sums are in different currencies, the Lessor may convert either sum at the rate or rates of exchange available to the Lessor (using whatever source it may reasonably select) at the time for the purpose of the set-off, and this in the sole discretion of the Lessor.

22. NOTICES

22.1 Communications in Writing

Any communication, notification or notice, demand or request, to be made under or in connection with the Lease Documents shall be made in writing and, unless otherwise stated, may be made by email, fax or letter.

22.2 Addresses

The address, email address and fax number of each Party for any communication or document to be made or delivered under or in connection with the Lease Documents is:

(a) in the case of the Lessee, that identified with its name in Part 2 (*Key Terms of Operating Lease*) of Schedule 1 (*Details of Leased Yacht and Key Terms*); and

(b) in the case of the Lessor, that identified with its name in Part 2 (*Key Terms of Operating Lease*) of Schedule 1 (*Details of Leased Yacht and Key Terms*),

or any substitute address, email address or fax number as the Party may notify to the other by not less than five (5) Business Days' written notice.

22.3 Delivery

(a) Any communication or document made or delivered by one Party to another under or in connection with the Lease Documents will only be effective:

(i) if by way of fax, when received in legible form; or

(ii) if by way of letter, when it has been received in person at the relevant address or five (5) Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address; or

(iii) if by way of email, when it has been successfully delivered in readable form by the receiving Party;

(b) Any communication or document which becomes effective, in accordance with clauses 22.3(a) , after 5.00pm in the time-zone of the Party's residence or place of incorporation, or else not upon a Business Day, shall be deemed only to become effective on the following Business Day.

22.4 English Language

(a) Any notice given under or in connection with any Lease Document must be in English.

(b) All other documents provided under or in connection with any Lease Document must be:

(i) in English; or

(ii) if not in English, and if so required by the Lessor, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

23. CALCULATIONS AND CERTIFICATES

23.1 Accounts

In any litigation or arbitration proceedings arising out of or in connection with a Lease Document, the entries made in any accounts or books maintained by the Lessor are *prima facie* evidence of the matters to which they relate.

23.2 Certificates and Determinations

Any certification or determination by the Lessor of a rate or amount under any Lease Document is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

24. PARTIAL INVALIDITY

If, at any time, any provision of the Lease Documents is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

25. REMEDIES AND WAIVERS

No failure to exercise, nor any delay in exercising, on the part of the Lessor, any right or remedy under the Lease Documents shall operate as a waiver of any such right or remedy or constitute

an election to affirm any of the Lease Documents. No election to affirm any of the Lease Documents on the part of the Lessor shall be effective unless it is in writing. No single or partial exercise of any right or remedy shall prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided for the Lessor in this Operating Lease or under the Lease Documents are in conjunction with and not exclusive of any rights or remedies provided by any applicable law, and may be exercised from time to time

26. AMENDMENTS

Any variation or amendment to this Operating Lease shall only be deemed to constitute part of this Operating Lease if such variation or amendment is in writing and is signed by both parties hereto.

27. FORCE MAJEURE

27.1 Any non-performance of any obligation by a party under this Operating Lease or Lease Documents shall not be considered a breach of this Operating Lease or Lease Documents if and to the extent that such performance is prevented by occurrences beyond the reasonable control of the party affected, including, but not exclusively, for acts of God, embargoes, governmental restrictions (other than those imposed as a result of such party's failure to comply with the law), strikes, fire, flood, earthquakes, explosions, riots, wars, civil disorder, rebellion or sabotage; provided, however, that the payment of any rent or other amounts due and owing hereunder may not be delayed longer than strictly necessary by the party paying because of a force majeure.

27.2 The party suffering such occurrence, in accordance with the terms of this Operating Lease, shall immediately notify the other party, and any time for performance hereunder shall be extended by the actual time of delay caused by the occurrence so long as the non-performing party has not caused such event(s) to occur and takes reasonable efforts to remove the condition. In the event that the suspension of performance continues for two (2) weeks after the date such force majeure commences, the parties shall meet to discuss in good faith how to proceed in order to accomplish the objectives of this Operating Lease. If no amicable agreement is found, the Lessor shall have the right to terminate this Operating Lease unilaterally, or else proceed with dispute resolution in accordance with the relevant clauses herein.

28. CONFIDENTIALITY AND DATA PROTECTION

28.1 Confidentiality

The terms and conditions of this Operating Lease may not be disclosed by either Party, except:

(a) as may be necessary or advisable for such Party to carry out its obligations under this Operating Lease (or to obtain advice from legal or financial advisors);

(b) as may be required by law or legal process;

(c) as may be required to permit other persons rendering services to such Party in connection with this Operating Lease to render those services;

(d) as may be required to permit such Party to pursue all available remedies for a breach of this Operating Lease by the other Party; or

(e) if already in the public domain and not through the actions of such Party.

28.2 Data Protection

The Lessee confirms that it is aware of the provisions of the Data Protection Law and that it acknowledges, agrees to and consents that for purposes of performance of this Operating Lease or any Lease Document, personal data might be collected and/or processed in relation to it, its operations or any obligations hereunder as required.

29. COUNTERPARTS

Each Lease Document may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of the Lease Document. Each counterpart is deemed an original.

30. GOVERNING LAW

This Operating Lease, and its performance and obligations herein (and any non-contractual obligations arising out of or in connection with it), shall be exclusively governed by and construed in accordance with laws of the Republic of Malta.

31. ENFORCEMENT

31.1 Jurisdiction

Any dispute or difference arising out of or in connection with this Operating Lease shall be exclusively determined in Malta in accordance with the laws of Malta in the Malta Arbitration Centre by the appointment of a single arbitrator to be agreed between the parties, or failing agreement within fourteen (14) days, after either party has given to the other a written request to concur in the appointment of an arbitrator, by an arbitrator to be appointed by the Chairman or Deputy Chairman of the Malta Arbitration Centre. The sittings shall take place in English and in accordance with the procedures of the Malta Arbitration Centre.

31.2 Waiver of Immunity

The Lessee irrevocably and unconditionally:

(a) agrees not to claim any immunity from proceedings brought by the Lessor against the Lessee in relation to any Lease Document and to ensure that no such claim is made on its behalf;

(b) consents generally to the giving of any relief or the issue of any process in connection with those proceedings; and

(c) waives all rights of immunity in respect of it or the Leased Yacht.

THIS OPERATING LEASE has been entered into on the date stated hereabove.

SCHEDULE 1: DETAILS OF LEASED YACHT AND KEY TERMS

Part 1: Details of Leased Yacht

Description of Leased Yacht:	[Yacht Description]
Details of any Registration Requirements:	[●]
Name and Address of Supplier:	[Supplier Name] with its registered offices at [Supplier Address]
Expected Delivery Period:	[●]
Agreed Purchase Price (including arrangements for any deposit, downpayment or instalment payments towards the same):	**€**
Pre-Financing Expenses (if applicable):	*[Instalment payments under the Sale Contract with the Supplier shall be OPERATING at a floating rate (3-month Euribor +[Y]% p.a.) and capitalized or compensated with other possible costs as at the Lease Commencement Date.]* *[Instalment payments under the Sale Contract with the Supplier shall be OPERATING at a floating rate (Maltese Base Rate +[y]% p.a.) and capitalized or compensated with other possible costs as at the Lease Commencement Date.]*
Principal Place at which Leased Yacht will be Delivered:	**Valletta, Malta**

Part 2: Key Terms of OPERATING Lease

Key Terms	Description of Requirements
Lessor:	**ST JULIAN'S MARITIME [SPV] LIMITED.**, a company incorporated and registered under the laws of the Republic of Malta with Company registration number [Company reg number] with its registered office at 3201 Portomaso, Portomaso Avenue, Portomaso Complex, St Julian's, STJ4011, Malta.
Lessee:	[Lessee name], having its registered office at [Lessee Address],
Availability Period:	[●]
Conditions to Availability Period:	1. Constitutional documents (or equivalent) of the Lessee.

	2. Trade license (or equivalent) of the Lessee. 3. Board minutes and/or resolutions of the Lessee approving and authorizing the execution, delivery and performance of the Operating Lease and any other Lease Documents to which the Lessee is a party on the terms and conditions of those documents and authorizing a person or persons to sign, execute or deliver those documents (and any other documents in connection therewith). 4. Specimen signature list setting out the names and signatures of the persons authorized to conclude and sign on behalf of the Lessee. 5. Copies of any "*know your customer*" documentation required by the Lessor in relation to the Lessee. 6. A copy of any other Authorisation or other document, opinion or assurance which the Lessor considers to be necessary or desirable (if it has notified the Lessee accordingly) in connection with the entry into and performance of the transactions contemplated by the Operating Lease or for the validity and enforceability of any Lease Document. 7. If applicable, evidence that the Upfront Fees and the Downpayment have been paid in full to the Lessor. 8. If applicable, relevant Credit Support Documents. 9. Details of agreement with the Supplier on the conditions of the sale of the Leased Yacht and copies of any signed commercial offer / order with respect to the Leased Yacht (or any other similar document duly signed by the Supplier). 10. Any other required document or proof by the Lessor.
Applicable Currency:	[**"EURO"** denote the lawful currency of Malta.] [**"USD"**, **"US$"** and **"dollar"** denote the lawful currency of the United States.]
Credit Support Documents:	The Lessee is to provide or procure the following Security or guarantees for the benefit of the Lessor: 1. [●]. 2. [●].
Default Rate:	12.5% per annum.
Designated Agent:	[●]
Insurances:	[●]

	Agreed Loss Value: €̶
Power of Attorney:	[●]
Expected Lease Commencement Date:	[●]
Lease Period:	[●]
Notice Details:	**The Lessee:** Address: [●] Email: [●] Tel: [●] Attn: [●] **The Lessor:** Address: 3201 Portomaso, Portomaso Avenue, Portomaso Complex, St Julian's, STJ4011, Malta. Email: info@stjmaritime.com Tel: +356 7962 2658 Attn: Mr Willem Steenkamer

SCHEDULE 2: PAYMENT SCHEDULE

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Part 1: Rental Schedule

INDICATIVE FIGURES FOR FLOATING RATE ONLY*	
Basis of Calculations	**Percentage Rate**
BOV Base or Euribor 3-month Funding Rate	[X.000]%
Operating Lease Margin Pre financing margin	[Y.000]% [Z.000]%
Operating lease Gross Interest Prefinancing Gross Interest	[Z.000]% [Z.000]%

IN ADVANCE OR IN ARREARS:	Arrears
PRE-FINANCING EXPENSES:	Consolidated or payable on Lease Commencement Date

Payment Periods (Month)	**Due Date**	**Rental**	**Total Amount of Rental Payment ** **
0		[Pre-Financing Costs+ Down Payment]	[ ]
1		[ ]	[ ]
2		[ ]	[ ]
3		[ ]	[ ]
4		[ ]	[ ]
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Where the interest rate is fixed for the entire Lease Period, this box can be removed altogether.

** Where the interest rate is fixed for the entire Lease Period, the Lessor reserves the right to re-calculate the fixed rate that will be applied for the purposes of the above table in order to reflect any adjustments to the Lessor's funding costs between the date of the OPERATING Lease and the Lease Commencement Date.

* Where the interest rate is floating throughout the Lease Period:

- the figures included in the above table are for indicative purposes only, and the final amount payable by the Lessee may increase or decrease accordingly depending on fluctuations in the [BOV Base Rate] [3-month EURIBOR] rate throughout the Lease Period; and

- the relevant floating rate will be the Lessor for each payment period referenced in the above table in order to reflect fluctuations in the [BOS Base Rate] [3-month EURIBOR] rate effective two (2) Business Days prior to the beginning of each payment period.

** Based on an estimated lease commencement date of [lease commencement date]

Part 2: Other Fees, Costs and Recharges

The indicated fees are subject to periodic adjustments in response to inflationary and market conditions. Any modifications to these fees will be communicated through official channels, ensuring that all concerned parties receive timely notification.

Due Date for Payment	Type of Payment	Amount
Upon signing of this OPERATING Lease	Upfront Fees	[●]
Upon signing of this OPERATING Lease	Downpayment	0% of Agreed Purchase Price
At signing date of this OPERATING Lease and upon anniversary of that signing date of the OPERATING LEASE on an annual basis	Maintenance Fee	€5,000
Within three (3) Business Days of request	Recharged Cost - Issuing of Letters, Notices or Demands (in respect of arrears or recharges)	Cost + €100 invoice handling fee
Upon due date of insurance period and in any case within three (3) Business Days of request	Insurances Premium	Premium in accordance with Insurances documents + any related costs thereof
At Yacht Registration	Yearly Yacht Registration Fee	€ 1,000 (plus ancillary costs) for yachts less than 24metre. € 2,000 (plus ancillary costs) for yachts more than 24metre.
	Lease Termination Sum	Amount representing all due and future Lease Rentals
At Mortgage Registration	One time Mortgage Fee	€ 250 (plus ancillary costs)
Upon signing of this OPERATING Lease	Commitment Fee	0.75% p.a. levied on undrawn funds from date of granting of credit facility until Lease Commencement Date

SCHEDULE 3: FORMS TO COMPLETE

Part 1: Form of Lease Purchase Order

To: [Supplier Name] (the **"Supplier"**)

[●]

Date: [●]

PURCHASE ORDER RELATING TO A OPERATING LEASE AGREEMENT DATED [CONTRACT DATE] (THE "OPERATING LEASE") BETWEEN (1) [INSERT LESSEE COMPANY NAME] AS LESSEE AND (2) ST JULIAN'S MARITIME [SPV] LTD AS LESSOR

This is a Lease Purchase Order for the purposes of the Operating Lease.

We confirm that **ST JULIAN'S MARITIME [SPV] LIMITED** (the **"Lessor"**) will pay you, the Supplier, an amount not exceeding € (the **"Agreed Purchase Price"**) for the yacht, its items or equipment described below (the **"Yacht"**), as selected and ordered by [*insert lessee company name*] (the **"Lessee"**).

This Lease Purchase Order is valid until [●] and is subject to the satisfaction of the following conditions:

1. Upon payment by the Lessor of the Agreed Purchase Price, the Yacht shall belong to the Lessor and title to, and ownership of, the Yacht shall be vested fully in the Lessor free from any liens, encumbrances, other security interests or third party rights or entitlements. [*Refer to any arrangements for the payment of instalments, if appropriate.*]

2. The Lessor appoints the Lessee as the Lessor's agent or representative, and the Lessee agrees to act as the Lessor's agent or representative, in respect of the installation, inspection, testing or commissioning (as applicable) of the Yacht and the delivery and acceptance of the Yacht from the Supplier but in no other capacity. Accordingly, the Lessee will examine, inspect and test each item of the Yacht and confirm that they are properly installed, commissioned in good working order, complete, of satisfactory quality, fit for its purpose and otherwise acceptable in all respects.

3. The Lessor must receive written confirmation from the Lessee that it accepts the Yacht and approves any invoice issued by the Supplier in respect of the same, along with an instruction to the Lessor to make payment under that invoice. Payment shall only be affected by the Lessor once it is satisfied that the Yacht is adequately insured. Any such payment by the Lessor will be deemed to be inclusive of any VAT, sales, customs duties or other similar taxes and will also include the cost of delivery and installation of the Yacht.

4. From the moment in which the risk connected to each item of the Yacht passes from the Supplier under the terms of the Sale Contract and/or this Lease Purchase Order, such risk shall pass automatically and in absolute to the Lessee and, that at no point in time the Lessor shall bear any risk whatsoever in relation to the Leased Yacht and/or any items thereof.

5. By countersigning this Lease Purchase Order, you, as the Supplier, agree that both the Lessor and the Lessee shall be entitled to the benefit of any guarantees, warranties or representations (express or implied, contractual or at law) including those relating to the title to the Yacht or the description, quality, suitability or fitness for any purpose, value, condition, design or operation (of any kind) of the Yacht.

Detailed description of Yacht, including reference numbers (if any):	[Yacht Description]

Please execute this Lease Purchase Order where indicated below to acknowledge your agreement to the terms set forth in this Lease Purchase Order.

Upon such countersignature by the Supplier of this Lease Purchase Order, the terms hereof shall be binding and enforceable against each of the Lessor, the Lessee and the Supplier.

Please arrange for two (2) copies of this Lease Purchase Order to be signed and returned to each of the Lessor and the Lessee.

…… ……

For and on behalf of
[Lessee name]

For and on behalf of
ST JULIAN'S MARITIME [SPV] LIMITED

We, the undersigned, acknowledge and agree to be bound by the foregoing terms and conditions set forth in this Lease Purchase Order:

……

For and on behalf of
[SUPPLIER NAME]

Date:

Part 2: Form of Record of Delivery

To: **ST JULIAN'S MARITIME [SPV] LIMITED**

3201 Portomaso, Portomaso Avenue, Portomaso Complex, St Julian's, STJ 4011, Malta

Date: [●]

OPERATING LEASE AGREEMENT DATED [CONTRACT DATE] (THE "OPERATING LEASE") AND MADE BETWEEN (1) US AS LESSEE AND (2) YOU AS LESSOR

We refer to the Operating Lease. This is a Record of Delivery.

Terms defined in the Operating Lease shall have the same meanings in this Record of Delivery unless otherwise stated.

We confirm to you as follows: -

1. We have taken delivery of the following item(s) of the Leased Yacht:

   [Yacht Description] with Hull Number [Hull Number] [*Insert full Yacht with HIN details, as per how the Lessor will record the same*]

   Latitude: _____'_____'._____

   Longitude: _____'_____; _____

   Time: _____;_____

2. We have examined, inspected and tested these and they are properly installed, commissioned in good working order, complete, of satisfactory quality, fit for their purpose and otherwise acceptable in all respects.

3. We have executed all testing and delivery records or acceptance certificates relating thereto pursuant to the Sale Contract.

4. All safety regulations in relation to such item(s) of the Leased Yacht have been complied with.

5. For the purposes of clauses 4.6 (*Record of Delivery*) and 4.7 (*Effect of a Record of Delivery*) of the Operating Lease, the above-mentioned item(s) have been delivered to and accepted by us under the Operating Lease.

…….
For and on behalf of the lessee
[LESSEE NAME]

…….
Acknowledged for and on behalf of the supplier
[Supplier Name]

…….
For and on behalf of the lessor
ST JULIANS MARITIME [SPV] Limited

SIGNATURE PAGE

THE LESSEE

DATE:

[Lessee name]

By: XX

THE LESSOR

Date:

ST JULIAN'S MARITIME [SPV] LIMITED

By: Willem Steenkamer

Ylenia Keegan