

*Attach Exhibit
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RESOLUTION OF THE CITY COUNCIL

No. 39

Approved January 26, 1988

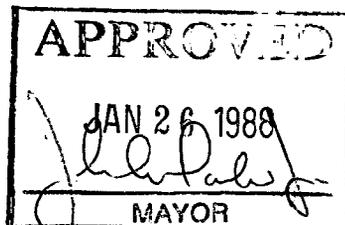
RESOLVED, That His Honor the Mayor be and is hereby authorized to execute a lease with Providence Marine Realty, Inc., for a certain tract of land located in the City of Providence, County of Providence, State of Rhode Island, which is described in Exhibit I, attached hereto, and all easements, rights, privileges and appurtenances relating thereto, said parcel containing approximately 24,656'; for a term of five (5) years, with an option to renew for an additional five (5) year term, beginning on the first day of the month after Providence Marine Realty, Inc., is in receipt of all the necessary permits to begin construction, at an annual rental of Twenty-Seven Thousand One Hundred Sixteen and 38/100 (\$27,116.38) Dollars for the first five (5) year period, with the second five (5) year period stipulated rental being increased by the rise, if any, in the Consumer Price Index: provided, that the Planning Department of the City of Providence approves the plans and specifications of all structures to be erected by Providence Marine Realty, Inc; that in the interim before the commencement of the lease Providence Marine Realty, Inc., pays to the City of Providence a storage fee for the keeping of certain barges on said parcel a sum of One Thousand (\$1,000.00) Dollars commencing on February 1, 1988 and continuing on the first day of each succeeding month until the lease commences and provides a certificate of insurance evidencing general liability with limits of not less than \$1,000,000.00 per person and \$3,000,000.00 per occurrence for injury to persons, including death resulting therefrom, during such interim period, holding the city harmless from any and all liability associated with the storage of said barges, the Mayor is authorized to execute any agreement which embodies the intent of these provisions.

IN CITY COUNCIL
JAN 21 1988

READ AND PASSED

Walter W. Epton
PRES.

Rose M. Mendonca
CLERK



THE COMMITTEE ON
CITY PROPERTY

Approves Passage of
The Within Resolution

Richard W. Hordover
Chairman

January 12, 1988

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B. JAMES SUZMAN
DIRECTOR



JOSEPH R. PAOLINO, JR.
MAYOR

Department of Public Works

"Building Pride In Providence"

July 7, 1988

Councilman James Petrosinelli
Chairman of the Public Works Committee
Providence City Council
City Hall - Providence, R.I. 02903

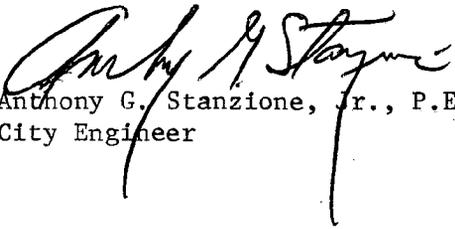
Re: Proposed Lease - Portion Lot 16, A.P. 18

Dear Councilman Petrosinelli:

This Department has no objection to the above-captioned Proposed Lease of Portion of Lot 16, on City of Providence Assessor's Plat 18, as noted on the enclosed plan entitled, "Providence, R.I., P.W. Dept., Engineering Office, Street Line Section, Plan No. 064423, Date: July 5, 1988."

If you require further assistance regarding this subject, please advise.

Very truly yours,


Anthony G. Stanzione, Jr., P.E.
City Engineer

AGS

CC: AGS
JTM
JLC/File

CC: Michael Clement - 1st. Dep. City Clerk

AGREEMENT

Agreement of Lease ("Lease"), dated as of _____,
19____, between THE CITY OF PROVIDENCE, a municipal corporation, organized
and existing under the laws of the State of Rhode Island, having an
address at City Hall, Providence, Rhode Island 02903 ("Landlord"), and
PROVIDENCE MARINE REALTY, INC. ("Tenant"), having an address at _____

1. Certain Definitions.

As used in this Agreement, the following terms have the following meanings:

Alterations: As defined in Section 13.

Building: A restaurant constructed of two barges and decking in conformance with Exhibit A approved Plans and Specifications

Basic Rental: The amount of rent described in Section 6.

Construction Loan: Any construction loan made to Tenant for the purpose of constructing the Building and/or Improvements.

Commencement Date: The date of execution and commencement of the term of the Lease as described in Section 5 hereof.

Completion: Completion shall be deemed to have occurred when all of the following conditions shall have been substantially satisfied: (i) the Building (including all amenities) has been substantially completed in accordance with the final Plans and Specifications, subject to punch-list items: (ii) a temporary

certificate of occupancy shall have been obtained; (iii) Tenant shall have acquired and installed all furniture, fixtures, equipment and supplies necessary for the initial operation of the Building; (iv) there shall exist no event of default under any document to which Tenant is a party and which relates to the construction or operation of the Building; and (v) the Building shall have opened for business.

Demised Land: The parcel of Land and all easements, rights, privileges and appurtenances relating thereto as described in Exhibit "B".

Encumbrances: As defined in Section 3 and to the extent presently known specifically described in Exhibit "B".

Force Majeure: Any delay due to theft, fire, Act of God or public enemy, severe weather conditions, injunction, riot, strikes, lockouts, inability to obtain labor or materials, insurrection, war, court order, requisition by governmental body or authority, or any other similar matter relating to the Building and beyond the control of Tenant.

Governing Law: The internal laws of the State of Rhode Island.

Insurance Proceeds: As defined in Section 16(c).

Insurance Requirements: All terms of any insurance policy covering or applicable to the Premises or any part thereof, all requirements of the issuer of any such policy, and all orders, rules and regulations of the National Board of Fire Underwriters applicable to or materially affecting the Premises or any part

thereof.

Impositions: All taxes (including real estate taxes, sales, use and occupancy taxes), assessments, water and sewer charges, charges for public or private utilities, excises, levies, license and permit fees and other charges and special, ordinary and extraordinary, foreseen and unforeseen, of any kind and nature whatsoever (including all interest and penalties thereon), which shall or may during the term of this Lease be assessed, levied, charged, confirmed or imposed upon or become payable out of or become a lien on the Premises or any part thereof, the appurtenances thereto or the sidewalks, streets or vaults adjacent thereto.

Improvements: The buildings, structures and other improvements including, without limitation, all building machinery, equipment, floor coverings, heating, plumbing and air conditioning equipment, and built-in refrigerators, disposals, ranges, ovens, vent-a-hoods, dishwashers and fixtures of the Tenant, which may now or hereafter during the term of the Lease be erected or located on the Demised Premises by or on behalf of Tenant.

Lease Year: Each year commencing on or after January 1, 19____, and before the expiration of the Lease.

Legal Requirements: All laws, statutes, codes, ordinances, orders, judgments, decrees, injunctions, rules, regulations, permits or licenses which now or at any time hereafter may be materially applicable to the Demised Premises or any part thereof, or any of the adjoining sidewalks, streets or ways or any material

use or condition of the Demised Premised Premises or any part thereof.

Operational Period: The period of time commencing the day following the date of Completion and continuing thereafter during the term of the Lease.

Permanent Loan: Any loan obtained by the Tenant after the construction period to finance the cost of the Building and Improvements.

Plans and Specifications: The Plans and Specifications for the Building, dated _____, 19____, as revised from time to time with the approval of any construction loan lender, the permanent loan lender, and Landlord.

Premises: The Demised Land and the Improvements as described in Section 2 hereof.

2. Demise of Land.

Landlord hereby demises and lets to Tenant for the term hereinafter described the parcel of land located in the City of Providence, County of Providence, State of Rhode Island which is described in Exhibit "B" and all easements, rights, privileges and appurtenances relating thereto (the "Demised Land" or "Demised Premises").

3. Title and Condition.

The Demised Land is demised and let subject to the rights of any parties in possession thereof and the state of the title thereof as of the commencement of this Lease, to any state of facts

which an accurate survey or physical inspection thereof might show, and to all zoning regulations, restrictions, easements, rules and ordinances, building restrictions and other laws and Regulations now in effect or hereafter adopted by any governmental authority having jurisdiction and to the existing encumbrances, if any, specifically described in Exhibit "C" ("Encumbrances"), including but not limited to any rights which the United States Army Corps of Engineers (the "Corps"), the general public, or any other party may have as a result of the Corps' condemnation of said land and/or the Corps.' expenditure of sums for the erection of a hurricane barrier, and/or any and all agreements between the Corps and Landlord for the operation and maintenance of said hurricane barrier and gate or the general public may have in that strip characterized as a "gangway." Tenant has examined the title to the Demised Land and has found the same satisfactory to it.

4. Use of Demised Land and Premises.

Tenant is granted the right to occupy and use the Demised Land only for the construction, development and operation of a restaurant, to be built substantially in accordance with Plans and Specifications heretofore approved by Landlord (the "Building"). Such establishment shall be a full service a la carte restaurant which serves liquor only as a complement to its food menu. There shall be no dancing, and overall capacity, including any outside deck seating, shall not exceed any and all lawful requirements of the Fire Marshalls of the City of Providence

and/or State of Rhode Island, as determined from time to time, pursuant to any regulation, ordinance or statute. Tenant will not do or permit any act or thing which is contrary to any Legal Requirement or Insurance Requirement, or which might impair the value or usefulness of the Premises or any part thereof, or which constitutes a public or private nuisance or waste. As to any legal requirement imposed by the state or federal government, Landlord shall use due diligence to assist Tenant by timely executing, after review for any material omission or misstatement to the best of its ability, any and all applications required for the issuance of all permits necessary to make Improvements, including, but not limited to, any application needed in regard for approval by the Coastal Resources Management Commission. As to any local Legal Requirement, Landlord shall act on Tenant's applications for any permits issued by it with due diligence.

5. Term.

Subject to the terms, covenants and conditions herein, Tenant shall have and hold the Demised Land for a term of five (5) years commencing _____ ("Commencement Date") and expiring at Midnight on _____, unless sooner terminated as hereinafter provided. At the expiration of the initial term, if this Lease shall then be in full force and effect and the Tenant shall have fully performed all of its terms and conditions, the Tenant

shall have the option to extend this Lease, upon the same terms and conditions, excluding the provision for the stipulated rent, for an extended term of five (5) years. The option for such extended term shall be exercised by the Tenant by giving written notice thereof to the Landlord not less than twelve (12) months, and not more than twenty-four (24) months, prior to the expiration of the then current term.

6. Rent. The Tenant covenants and agrees to pay to the Landlord as rent for the Demised Land the annual base sum of twenty seven thousand one hundred sixteen dollars and thirty-eight cents (\$27,116.38), payable in equal monthly installments due on or before the 10th day of each month during the rental period, each such installment to be in the amount of two thousand two hundred fifty-nine dollars and seventy cents (\$2,259.70), for the first rental year. Thereafter, for each subsequent rental year, the previously determined base rental shall be increased by the rise, if any, in the Consumer Price Index. This rental shall then become the base sum payable in equal monthly installments.

Payment shall be made to the Controller's Office, City Hall, Providence, Rhode Island 02903 with an appropriate notation.

7. Improvements.

All Improvements hereafter erected or located on the Demised Land by or on behalf of the Tenant to this Lease shall remain the property of the Tenant, subject to the terms and conditions of this Lease.

Upon the expiration or earlier termination of the term of this Lease, Tenant shall surrender the Demised Land and remove all Improvements made by Tenant, or upon its behalf, then located on the Demised Land. Further, Tenant shall restore the Demised Premises in the same condition as found at the Commencement Date.

Should the Tenant not remove all such improvements and restore the Demised Premises within sixty (60) days of the termination or expiration of this Lease, all Improvements located on the Demised Premises shall become the property of the Landlord, and the Tenant agrees to execute and deliver to the Landlord such quit claim deeds, assignments or other instruments of conveyance as the Landlord may deem reasonably necessary to evidence such transfer of title to the Landlord. During said sixty (60) day period of removal and restoration, Tenant shall continue to make payment in the same amount as determined as stipulated rent under Paragraph 6 herein. Such sixty (60) day period is a grace period and shall not be construed for or against either the Landlord or the Tenant as an extension of this Lease for an additional term.

8. Net Lease: Nonterminability.

(a) This Lease is a net Lease and the Rental and other sums payable hereunder by Tenant shall be paid without notice or demand, and, except as otherwise specifically set forth in this

Lease, without setoff, counterclaim, abatement, suspension, deduction or defense.

(b) Except as expressly provided, this Lease shall continue in full force and effect, and the obligations of Tenant shall not be released, discharged or otherwise affected, by reason of: (i) any damage to or destruction of the Premises or any part thereof or the taking of the Premises or any part thereof by condemnation, requisition or otherwise for any reason, (ii) any restriction or prevention of or interference with any use of the Premises or any part thereof, or (iii) any title defect or encumbrance or any eviction from the Premises or any part thereof by title paramount or otherwise.

9. Debt Service; Legal and Insurance Requirements; Contests.

(a) Tenant shall pay or cause to be paid all installments of interest and amortization required to be paid under any and all loan agreements which may be payable for the construction of the restaurant and related facilities as and when the same become due and payable. Tenant shall duly and punctually perform, observe and comply with, or cause to be performed, observed and complied with, each and every obligation of all instruments delivered pursuant thereto, to the end that no default shall occur which default, if any, shall not have been cured within the applicable grace period provided under such agreements or such further extensions of time or waivers as may be granted from time to time.

(b) Tenant will pay all Impositions before any fine, penalty,

interest or cost may be added for nonpayment, and will furnish to Landlord, upon request, official receipts or other satisfactory proof evidencing such payment, provided that, if any Imposition is payable in installments over a period of years, Tenant shall be liable only for payment of those installments falling due and payable during the term hereof, with appropriate proration in case of fractional years.

(c) Tenant at its expense will promptly (i) comply with all Legal Requirements and Insurance Requirements, whether or not compliance therewith shall require structural changes or interfere with the use and enjoyment of the Premises or any part thereof, (ii) procure, maintain and comply with all permits, licenses and other authorizations required for any use of the Premises or any part thereof then being made, and for the proper erection, installation, operation and maintenance of the Improvements, and (iii) comply with any instruments at the time in force affecting the Premises or any part thereof.

(d) Tenant, at its expense and, if legally required, in the name of the Landlord, may contest (in the case of any item of importance, after prior written notice to Landlord), by appropriate legal proceedings conducted in good faith and with due diligence, the amount or validity or application, in whole or

in part, of any Imposition or lien therefor or any Legal Requirement, Insurance Requirement or the application of any instruments referred to in Section 9(c)(ii) above, provided that (i) neither the Premises nor any part thereof or interest therein, or the Basic Rental or any Additional Rent or any portion thereof, would be in any material danger of being sold, forfeited or lost solely by reason of such proceedings, and (ii) Landlord would not be in any danger of any civil or any criminal liability by reason of such contest. Landlord, at the expense of Tenant, will cooperate with Tenant and execute any documents or pleadings legally required for any such contest.

10. Liens.

Tenant will not directly or indirectly create or permit to be created or to remain, and will discharge any lien, encumbrance or charge on, or pledge of, the Premises or any part thereof, Tenant's interest therein or the Basic Rental or Additional Rent, other than this Lease and any liability or obligation on the part of Landlord which Tenant is not obligated by this Lease to assume.

11. Indemnification.

Tenant will protect, indemnify and save harmless Landlord from and against all liabilities, obligations, claims, damages, penalties, causes of action, judgments, costs and expenses (including, without limitation, reasonable attorneys fees and expenses) imposed upon or incurred by or asserted against Landlord or the Premises during the term of this Lease for any reason (in-

cluding but not limited to; (a) any accidents or injury to or death of persons or loss of or damage to property occurring on or about the Premises or any part thereof or the adjoining sidewalks, curbs, vaults and vault space, if any, streets or ways, (b) any failure on the part of Tenant to perform or comply with any of the terms of this Lease, (c) any negligence or tortious act on the part of Tenant or any of its agents, contractors, sublessees, licensees or invitees or (d) any mechanic's or supplier's claim for lien in connection with or work done or materials furnished relating to the Premises or (e) liability to the United States Army Corps. of Engineers or other governmental entity or agency for the breach of any and all agreements which result from the use of the Demised Premises as a restaurant, or (f) any asserted rights, either private or public, to access to the water and/or travel along that portion of the Demised Premises known as the "gangway," and/or other or related rights to same. In case any action, suit or proceeding is brought against Landlord by reason of any such occurrence, Tenant, upon request of Landlord, will at Tenant's expense defend such action, suit or proceeding with counsel designated by Tenant and approved by Landlord, which approval shall not be unreasonably withheld.

12. Maintenance and Repair.

Tenant, at its expense, will keep the Demised Premises and the adjoining sidewalks, curbs, vaults and vault space, if any, and ways in good and clean order and condition, ordinary wear and

tear excepted, and will promptly make all necessary or appropriate repairs, replacements and renewals thereof, whether interior or exterior, structural or nonstructural, ordinary or extraordinary, foreseen or unforeseen. Additionally, Tenant shall cause to be constructed a fence along the line indicated on Exhibit "D" to prevent its patrons from climbing the hurricane barrier (such fence shall be subject to and included in the Plans and Specifications of the Building) and such maintain same in good order. Landlord shall not be required to maintain, alter, repair, rebuild or replace the Improvements on the Demised Land or any part thereof, or to maintain the Premises, or parts thereof, in any way, and Tenant expressly waives the right to make repairs at the expense of Landlord which may be provided for in any law now in effect or hereafter enacted. Tenant shall have the right at any time and from time to time to sell or dispose of any building machinery, furniture, equipment or fixtures, whether or not subject to this Lease, which may become obsolete or unfit for use or which is no longer useful, necessary or profitable in the conduct of the Tenant's business, provided that the Tenant shall then or theretofore substitute for the same other building machinery, furniture, equipment or fixtures of the same character, and of a value at least equal to that of the property so disposed of.

13. Construction, Alterations and Additions.

Tenant shall expeditiously commence, or cause to be commenced the construction of a restaurant in accordance with Plans and

Specifications heretofore approved by Landlord. Tenant shall cause Completion as expeditiously as possible, in a good and workmanlike manner, and in substantial conformity with the Plans and Specifications, the requirements of any construction loan, the commitment for any permanent loan and all applicable covenants and restrictions, laws, ordinances and regulations.

Tenant shall have the right to make, at its sole cost and expense, additions, alterations and changes (hereinafter sometimes referred to as "Alterations") in or to the Premises, provided Tenant shall not then be in default in the performance of any of the Tenant's covenants or agreements in this Lease, subject, however, in all cases to the following:

(a) No Alterations of any kind shall be made without the prior written consent of Landlord if such Alterations would tend (i) to change the general character or structure of the Improvements on the Demised Land, or (ii) to reduce or impair the value, rental, rental value, rentability or usefulness of the Premises or any part thereof;

(b) No Alterations shall be undertaken until Tenant shall have procured and paid for, so far as the same may be required from time to time, all permits and authorizations of all municipal departments and governmental subdivisions having jurisdiction, and complied with all other Legal Requirements relating to the Alterations;

(c) Any structural Alterations involving in the aggregate an

estimated cost of more than \$10,000.00 shall be approved in writing in writing by the Landlord (which approval shall not be unreasonably withheld).

(d) Any Alterations shall be made promptly (causes due to Force Majeure excepted) and in a good and workmanlike manner and in compliance with all applicable Legal Requirements and Insurance Requirements;

(e) Tenant shall not permit the filing of any mechanic's or materialman's liens against the Demised Land for any labor or materials supplied or claimed to have been supplied to the Premises for Improvements. Should such liens be filed against the Demised Land, Tenant shall promptly take legal action to have same removed and otherwise hold Landlord harmless.

(f) Workmen's compensation insurance covering all persons employed in connection with the work and with respect to whom death or bodily injury claims could be asserted against Landlord, Tenant or the Premises, and general liability insurance for the mutual benefit of the Landlord and Tenant with limits of not less than \$1,000,000.00 in the event of bodily injury or death to one person and not less than \$3,000,000.00 in the event of bodily injury or death to any number of persons in any one accident, and with limits of not less than \$250,000.00 damages or injury to property with not more than \$1,000.00 deductible, shall be maintained by Tenant at Tenant's sole cost and expense at all times when any substantial work is in progress in connection with any

Alterations. All such insurance, shall be effected under standard form policies issued by insurers of recognized responsibility, which are well rated by national rating organizations.

14. Condemnation.

(a) If, at any time during the term of this Lease, title to the whole or substantially all of the Premises shall be taken in condemnation proceedings by any federal right of eminent domain, or by purchase in lieu thereof, or by agreement between the City of Providence and the Federal Emergency Management Administration ("FEMA") wherein FEMA agrees to operate and maintain the Hurricane Barrier, and said agreement requires the assignment of the Demised Premises to FEMA to accomplish the transfer of this responsibility this Lease shall terminate and expire on the date of such taking or agreement and the Basic Rental and Additional Rent and other charges payable hereunder shall be apportioned and paid to the date of such taking or agreement. For purposes of this section, "substantially all of the Premises" shall be deemed to have been taken if the untaken portion cannot be practically and economically used for the restaurant.

In the event of any such taking or agreement causing the termination of this Lease, Tenant shall promptly remove its Improvements and restore the Demised Premises to its previous condition as found on the Commencement Date. And, Tenant waives any right to delay, through any court proceeding, or otherwise, any condemnation instituted by the federal govern-

ment, or any agency thereof, or transfer of ownership to FEMA; and, the Tenant waives any right to receive any compensation from any source by reason of the termination of this Lease due to such condemnation or transfer of ownership to FEMA.

(b) Should a portion of the Demised Premises continue to be available to Tenant after condemnation or a transfer to FEMA, then the Tenant, at its sole cost and expense, shall proceed with reasonable diligence to repair, alter and restore the remaining part of the Premises to substantially their former condition to the extent that the same may be feasible, subject to such changes or alterations as the Tenant may elect to make in conformity with the provisions of Section 13 hereof; such repairs, alterations or restoration, including such changes and alterations as aforementioned and including temporary repairs, or the protection of other property pending the completion of any thereof, are sometimes referred to in this section as the "Work"; the condition under which the Work is to be performed and the method of proceeding with and performing the same shall be governed by all of the provisions of Section 13 hereof.

(c) In its negotiations with FEMA, the City of Providence shall use its best efforts not to disturb this Lease Agreement.

15. Insurance.

(a) So long as this Lease remains in effect, Tenant, at its expense, will maintain, or cause to be maintained with insurers approved by Landlord (which approval shall not be unreasonably

withheld): (i) insurance with respect to the Improvements against loss or damage by fire, flood, lightning and other risks from time to time included under extended coverage endorsements, in amounts sufficient to prevent Landlord, or Tenant from becoming a coinsurer of any partial loss under the applicable policies, but in any event in amounts equal to 100% of the full replacement value of the Improvements (exclusive of the cost of foundations and excavations), less physical depreciation; (ii) comprehensive general liability insurance applicable to the Premises with limits of liability of not less than \$1,000,000.00 per person and \$3,000,000.00 per occurrence for injury to persons including death resulting therefrom, and \$250,000.00 per occurrence for damage to the property of others with not more than \$1,000, deductible; (iii) explosion insurance in respect of any boilers and similar apparatus located on the Premises in an amount equal to 100% of full replacement value, which insurance shall be payable to the Landlord, the Tenant and the holders of any secured notes, as their interests may appear, but which policies shall be delivered to an held by the Landlord or the holders of such secured parties and, in the event that the Improvements or any substantial portion thereof, shall be destroyed or seriously damaged, the proceeds, when collected in cash by the Tenant, shall be held in trust and applied to the payment of any debt charges then due and payable under any secured notes, and to the performance by the Tenant of all the covenants, agreements, terms and provisions of the

Lease until the repair, restoration or reconstruction of the Improvements shall be completed as provided for in Section 16 hereof or to the restoration of the Demised Premises in the same condition as found on the Commencement Date.

(b) All insurance required to be maintained pursuant to Section 15(a) shall: (i) except for comprehensive general liability insurance, name the holders of any secured notes, Landlord and Tenant as insureds, as their respective interests may appear; (ii) provide that no cancellation thereof shall be effective until at least thirty (30) days after receipt by the holders of any secured notes, Landlord and Tenant of written notice thereof. Any insurance required to be maintained by Tenant pursuant to this Section 15 may be evidenced by blanket insurance policies covering the Premises and other property or assets of Tenant, and shall, in all respects, comply with the requirements of this Section 15. All insurance proceeds paid to Tenant shall be held in trust by Tenant for application in the manner provided in Section 16 hereof.

(c) All insurance policies covering the Premises shall expressly waive any right on the part of the insurer to be subrogated to any rights of Landlord against Tenant and to any rights of Tenant against Landlord.

(d) Tenant will promptly upon request deliver to Landlord certified copies of all insurance policies (or, in the case of blanket policies, certificates thereof) with respect to the

Premises which Tenant is required to maintain pursuant to this Section 15 and Section 13(f).

16. Casualty.

(a) If, at any time during the term of this Lease, the Improvements or any part thereof, shall be damaged or destroyed by fire or other casualty (including any casualty for which insurance coverage was not obtained or obtainable) of any kind or nature, ordinary or extraordinary, foreseen or unforeseen, the Tenant, at its sole cost and expense, and whether or not the insurance proceeds, if any, shall be sufficient for the purpose, shall proceed with reasonable diligence (subject to Force Majeure), subject to a reasonable time allowance for the purpose of adjusting such loss, to repair, alter, restore, replace or rebuild the same as nearly as possible to its value, condition and character immediately prior to such damage or destruction, subject to such changes or alterations as the Tenant may elect to make in conformity with the provisions of Section 13 hereof; provided, that Tenant may elect to raze the Improvements and restore the Demised Premises to its condition as found on the Commencement Date and this Lease shall terminate. Such repairs, alterations, restoration, replacement or rebuilding, including such changes and alterations as aforementioned and including temporary repairs or the protection of other property pending the completion of any there of, are sometimes referred to in this Section as the "Work."

(b) Except as otherwise provided in this Section, the conditions under which any repairs, alterations, restoration, replacement or rebuilding Work are to be performed and the method of proceeding with and performing the same shall be governed by all of the provisions of Section 13 hereof.

(c) All insurance money paid to the Tenant on account of such damage or destruction under the policies of insurance provided for in Section 15 hereof, less the cost, if any, incurred in connection with the adjustment of the loss and the collection thereof (herein sometimes referred to as the "Insurance Proceeds"), shall be held by the Tenant in trust and applied exclusively to the payment of the cost of the Work to the extent such insurance proceeds shall be sufficient for the purpose, and shall be paid out by Tenant from time to time as such Work progresses; provided, that if the Tenant shall elect to raze the site and thereby terminate this Lease, the proceeds received after restoration of the Demised Premises shall be the Tenant's.

Under no circumstances shall Landlord be obligated to make any payment, disbursement or contribution towards the cost of the Work except to the extent of any insurance proceeds actually received by Landlord.

(d) Tenant shall be entitled to an abatement of rent to the extent part or all of the Premises shall be untenable owing to the partial or total destruction thereof, and, such abatement shall be in the sole discretion of the Landlord.

17. Assignment, Mortgage, Subletting.

(a) This Lease may not be assigned.

(b) Landlord will not permit the Demised Land to be subject to any mortgage, pledge or encumbrance for construction or permanent financing for the Improvements. Landlord does permit Tenant the right to subject any and all Improvements contemplated under the Lease to any mortgage, pledge or encumbrance for construction or permanent financing so as to make such Improvements.

(c) Tenant may not sublet this Lease.

18. Advances by Landlord.

(a) Landlord may, upon notice to Tenant, but shall not be obligated to, make any payment or perform any act hereunder to be made or performed by Tenant with the same effect as if made or performed by Tenant, provided that no entry by Landlord upon the Premises for such purpose shall constitute or shall be deemed to be an eviction of Tenant and shall not waive or release Tenant from any obligation or default hereunder. All sums so paid by Landlord and all costs and expenses (including reasonable attorneys' fees and expenses) incurred by Landlord in connection with the performance of any such act together with interest thereon at the rate of 10% per year; or at the maximum rate permitted by Governing Law, whichever is lower, shall constitute additional rent payable by Tenant hereunder immediately or in monthly installments, at Landlord's option in accordance with statements therefor sent to Tenant by Landlord.

19. Financial Statement.

(a) Tenant will keep or cause to be kept, true and complete books of record and accounts, in accordance with generally accepted accounting principles, and will deliver or cause to be delivered to Landlord, as soon as reasonably practicable after the end of each calendar year during the term hereof commencing with the calendar year in which the first operational period falls, a copy of the detailed balance sheet of Tenant as of the end of such calendar year, all prepared in accordance with generally accepted accounting principles by the independent public accounts retained by Tenant to audit its books and for the purpose of expressing an opinion that such statements fairly present the results of operations and the amounts due Landlord under the terms of this Lease. Landlord shall have the right at any time during business hours, on reasonable prior written notice to the Tenant, to examine or cause its accountants to examine Tenant's books and records of account relating to the Premises.

20. Conditional Limitations - Default Provisions.

(a) This Lease and the term and estate hereby granted are subject to the limitation that:

(i) whenever Tenant shall default in the payment of any installment of Rental or of any other sum payable by Tenant to the Landlord, on any day upon which the same ought to be paid, and if such default shall continue for fifteen (15) days; or

(ii) whenever Tenant shall fail to observe or perform any of

Tenant's other covenants, agreements or obligations hereunder and such failure shall continue for thirty (30) days after notice thereof has been sent to Tenant by Landlord or, if such default cannot be cured by the payment of money and cannot with due diligence be cured within such thirty (30) day period owing to causes beyond the control of Tenant, if Tenant shall fail to proceed promptly to cure the same and thereafter prosecute the curing of such default with diligence and continuity; or

(iii) whenever an involuntary petition shall be filed against the Tenant under any bankruptcy or insolvency law or under the reorganization provisions of any law of like import, or a Receiver of Tenant or of or for the interest of Tenant in the Premises shall be appointed without the acquiescence of Tenant, and such situation under this Subsection (iii) shall continue and shall remain undischarged or unstayed for an aggregate period of ninety (90) days (whether or not consecutive) or shall not be remedied by Tenant within ninety (90) days; or

(iv) whenever Tenant shall make an assignment of the property of Tenant for the benefit of creditors or shall file a voluntary petition under any bankruptcy or insolvency law, or whenever any court of competent jurisdiction shall approve a petition filed by Tenant under the Reorganization provisions of the United States Bankruptcy Act or under the provisions of any law of like import, or whenever a petition shall be filed by Tenant under the Arrangement provisions of the United States Bankruptcy Act or under the

provisions of any law of like import, or whenever the Tenant shall desert or abandon the premises for a period of ninety (90) consecutive days; then, immediately or upon the expiration of any such period, and regardless of and notwithstanding the fact that Landlord has or may have some other remedy under this Lease or by virtue hereof, in law or in equity, Landlord may give to Tenant a notice (herein called the "second notice") of intention to end the term of this Lease specifying a day not less than ten (10) days thereafter and, upon the giving of the second notice, this Lease and the term and estate hereby granted shall expire and terminate upon the day so specified in the second notice as fully and completely and with the same force and effect as if the day so specified were the date hereinbefore fixed for the expiration of the term of this Lease, all rights of Tenant under this Lease shall expire and terminate, and Tenant shall be released of any further obligations or liabilities under the terms of this Lease from and after the effective date of such termination.

(b) Upon any such termination or expiration of this Lease, Tenant shall peaceably quit and surrender the Demised Land and Improvements to Landlord and shall execute and deliver to Landlord the documents referred to in Section 7(b), and Landlord may without further notice enter upon, reenter, possess and repossess itself thereof, by force, summary proceedings, ejectment or otherwise, and may dispossess and remove Tenant and all other persons and property from the Premises and may have, hold, and enjoy the

Premises and the right to receive all rental and other income of and from the same.

21. Arbitration.

(a) Should the parties need to resolve a dispute arising under this Lease, the parties shall resort to arbitration and such arbitration shall be determined as provided in this Section. The party desiring such arbitration shall give written notice to that effect to the other party, specifying in said notice the name and address of the person designated to act as arbitrator. Within fifteen (15) days after the service of such notice, the other party shall give written notice to the first party specifying the name and address of the person designated to act as arbitrator on its behalf. If the second party fails to notify the first party of the appointment of its arbitrator, as aforesaid, within or by the time above specified, then the appointment of the second arbitrator shall be made in the same manner as hereinafter provided for the appointment of a third arbitrator in a case where the two arbitrators appointed hereunder and the parties are unable to agree upon such appointment. The arbitrators so chosen shall meet within ten (10) days after the second arbitrator is appointed and if, within thirty (30) days after the second arbitrator is appointed, the said two arbitrators shall not agree upon the question in dispute, they shall themselves appoint a third arbitrator who shall be a competent and impartial person; and in the event of their being unable to agree upon such appointment within ten (10) days

after the time aforesaid, the third arbitrator shall be selected by the parties themselves if they can agree thereon within a further period of fifteen (15) days. If the parties do not so agree, then either party on behalf of both, may apply to any court of general jurisdiction in Providence County for the appointment of such third arbitrator, and the other party shall not raise any question as to the Court's full power and jurisdiction to entertain the application and make the appointment. The decision of the arbitrators so chosen shall be given within a period of thirty (30) days after the appointment of such third arbitrator. The decision in which any two arbitrators appointed and acting hereunder concur shall be binding and conclusive upon the parties. Each party shall pay the fees and expenses of the one of the two original arbitrators appointed by such party, or in whose stead as above provided, such arbitrator was appointed, and the fees and expenses of the third arbitrator, if any, shall be borne equally by both parties.

22. Impairment of Landlord's Title.

(a) Except as otherwise set forth in this Lease, Tenant shall not have the right, power or permission to do any act or to make any agreement which may create, give rise to, or be the foundation for, any right, title, interest, lien, charge or other encumbrance upon the estate of Landlord in the Premises.

(b) In amplification and not in limitation of the foregoing, Tenant shall not permit any portion of the Premises to be used by

any person or persons, as such, at any time or times during the term of this Lease, in such manner as might reasonably tend to impair Landlord's title to or interest in the Premises or any portion thereof. Landlord may from time to time, but without affecting in any manner its rights or remedies in respect hereof should it elect or fail or refuse to so do, impose upon Tenant such rules or regulations as to the use or possession by any such persons or by the public as may reasonably be consistent with Landlord's protection against any such possible claim, all of which rules and regulations shall be fully and promptly performed and enforced by Tenant at Tenant's own cost and expense.

23. Quiet Enjoyment.

Landlord covenants that if and so long as Tenant keeps and performs each and every covenant, agreement, term, provision and condition herein contained on the part and on behalf of Tenant to be kept and performed, Tenant shall quietly enjoy the Demised Premises without hindrance or molestation by Landlord subject to the covenants, agreements, terms, provisions and conditions of this Lease. However, Tenant agrees that if Landlord needs to make additions to or repairs to the Hurricane Barrier, such need being in the sole discretion of the Landlord, and the method of such addition or repair being in the sole discretion of the Landlord, the Tenant shall remove its Building and Improvements to permit such addition and/or repairs; Tenant agrees also that the United States Army Corps of Engineers has an operation and maintenance

agreement which affects the Demised Premises, and to the extent that the Corps determines that the Building and Improvements breach said agreement, the Tenant shall accept such characterization and shall, if requested, remove its Building and Improvements; Tenant understands that Landlord is presently in negotiations with the Federal Emergency Management Agency (FEMA) for it to assume the responsibilities of maintaining and operating the Hurricane Barrier; and, if in the sole judgment of FEMA, the Demised Premises are to be transferred to FEMA for it to assume such responsibility, Tenant agrees to remove its Buildings and Improvements; and, Tenant agrees to hold the Landlord harmless should any rights, either private or public, to access to the water and/or travel along that portion of the Demised Premises known as the gangway and/or other or related rights to same be found to exist by a court of competent jurisdiction and during the pendency of any and all proceedings related to a resolution of such asserted rights, if any. Should any or all of these provisions become material in effect to Tenant, Tenant may terminate this Lease.

24. Estoppel Certificate.

The parties mutually agree that at any time and from time to time upon written request of the other party and at the reasonable cost and expense to the party requesting the same, Landlord or Tenant, as the case may be, will execute, acknowledge and deliver to the other party a certificate evidencing whether or not:

- (a) the Lease is in full force and effect;

(b) said Lease has been modified or amended in any respect, and submitting copies of such modifications or amendments, if any; and

(c) there are any existing defaults thereunder to the knowledge of the party executing the certificate, and specifying the nature of such defaults, if any.

25. Surrender.

Upon any expiration or other termination of this Lease, Tenant shall quit and surrender the Premises to Landlord in good order and condition, except for ordinary wear and tear and except for any portion or portions of the Premises which shall have been taken in a condemnation proceeding or agreement resulting in such termination under Section 14, provided that Tenant shall remove or cause to be removed from the Premises any Personal Property belonging to Tenant or third parties, which can be so removed without material damage to the Premises, and at its cost and expense shall repair any damage caused by such removal; and, further, provided, that at the election of the Landlord the Building and Improvements shall be razed and removed and the Premises restored to its condition on the Commencement Date. Personal property no so removed shall become the property of Landlord, which may thereafter cause such property to be removed from the Premises and disposed of; however, should the Landlord make such election, the Tenant shall restore the Premises to its condition as found on the Commencement Date.

26. No Merger.

There shall be no merger of this Lease or the leasehold estate created by this Lease with any other estate or interest in the Premises or any part thereof by reason of the fact that the same person, firm, corporation or other entity may acquire or own or hold, directly or indirectly (a) this Lease or the leasehold estate created by this Lease or any interest in this Lease or in any such leasehold estate, and (b) any such other estate or interest in the Premises or any part thereof, and no such merger shall occur unless and until all corporations, firms and other entities having an interest (including a security interest) in (i) this Lease or the leasehold estate created by this Lease and (ii) any such other estate or interest in the Premises or any part thereof shall join in a written instrument effecting such merger and shall duly record the same.

27. Notices.

All notices, demands, requests or other communications which may be or are required to be given, served or sent by either party to the other shall be in writing and shall be deemed to have been properly given or sent (i) by mailing by registered or certified mail with the postage prepaid, addressed to such party at the address hereinabove first set forth for such party and, in the case of any notice to Landlord, with a copy to City Solicitor, 60 Eddy Street, Providence, Rhode Island 02903; and, in the case any notice to Tenant, with a copy to Joseph DeAngelis, Esquire, 1

Park Row, Providence, Rhode Island 02903; either party may designate by notice in writing a new address to which any notice, demand, request or communication may hereafter be so given, served or sent.

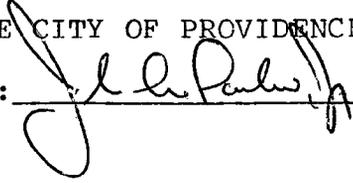
28. Construction and Interpretation.

(a) If any term of this Lease or any application thereof shall be invalid or unenforceable, the remainder of this Lease and any other application of such term shall not be affected thereby. Any approval or consent of Landlord or Tenant required hereunder shall not be unreasonably withheld or delayed. This Lease may be changed, waived, discharged or terminated only by an instrument in writing, signed by Landlord and Tenant. The headings in this Lease are for the purposes of reference only and shall only and shall not limit or define the meaning hereof. This Lease may be executed in any number of counterparts, each of which shall be an original, but all of which shall together constitute one and the same instrument.

(b) This Lease shall be construed and enforced in accordance with the laws of the State of Rhode Island.

IN WITNESS WHEREOF, the parties hereto have executed the foregoing instrument this _____ day of _____, 1987.

THE CITY OF PROVIDENCE,

BY:  _____

+ 7

PROVIDENCE MARINE REALTY, INC.

BY: _____
PRESIDENT

Resolution # 39 - Approved: January 26, 1988

PROVIDENCE R. I.
P. W. DEPT. ENGINEERING OFFICE
STREET LENS SECTION
Plan No 064423
Date July 5, 1988

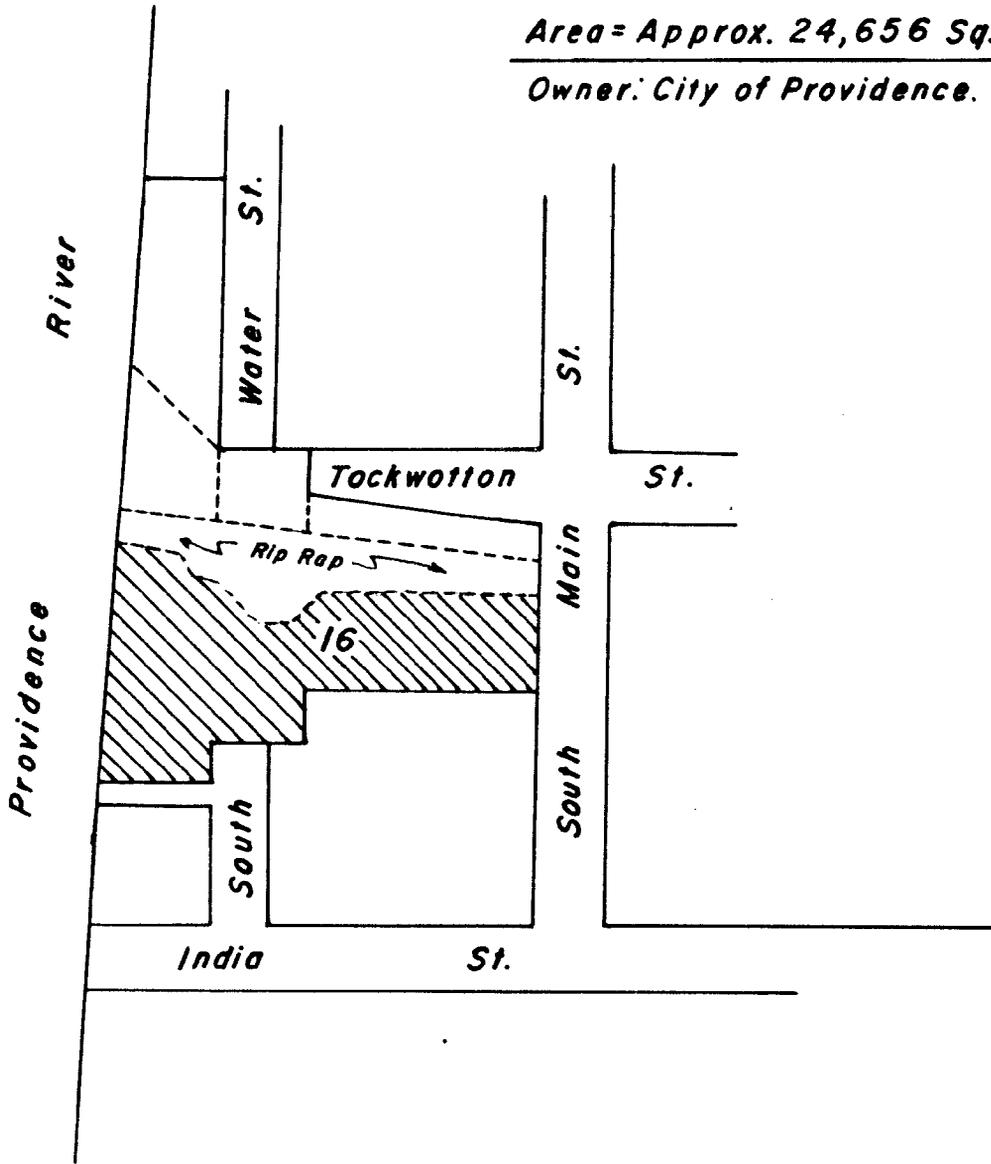


Notes:

Cross-Hatched Area Indicates Proposed Lease of Portion of Lot 16.

Area = Approx. 24,656 Sq. Ft.

Owner: City of Providence.

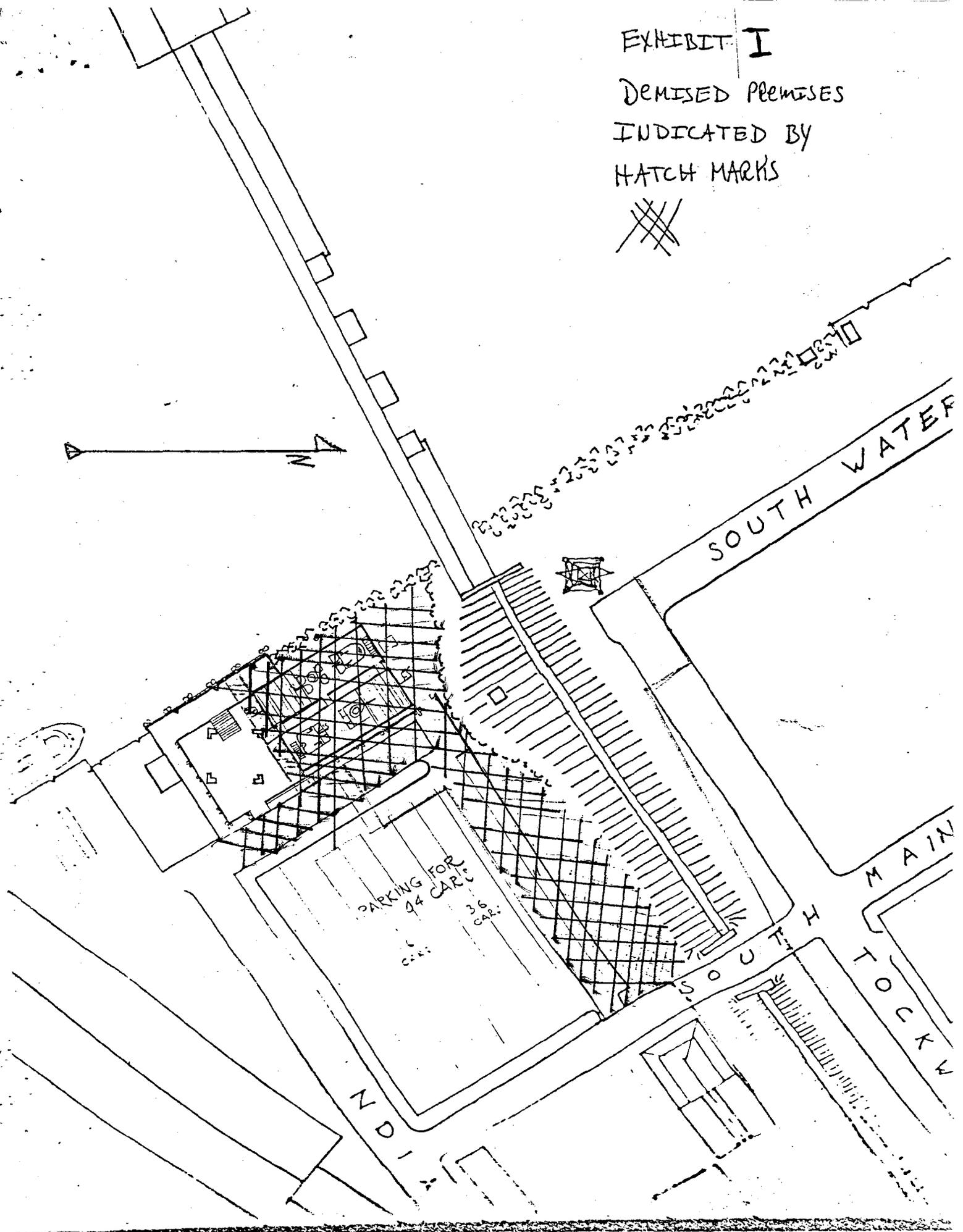


CITY OF PROVIDENCE, R. I.	
Public Works Dept. - Engineering Office	
Showing Proposed Lease of Portion of Lot 16, A.P. 18	
Drawn by J.A.M.	Checked by J.T.M.
Scale No. Scale	Date 7-5-88
Correct James J. Ferris	Associate Engr.
Approved <i>[Signature]</i>	CHIEF ENGINEER

Lot Numbers From Assessor's Plat 18

EXHIBIT I

DEMISED PREMISES
INDICATED BY
HATCH MARKS



Rose M. Mendonca
City Clerk

Clerk of Council

Clerk of Committees



Michael R. Clement
First Deputy

Jean M. Angelone
Second Deputy

DEPARTMENT OF CITY CLERK
CITY HALL

February 9, 1988

Mr. Joseph DeAngelis
Licht and Semonoff
One Park Row
Providence, R. I. 02903

Dear Mr. DeAngelis:

Enclosed is a certified copy of Resolution No. 39, approved January 26, 1988, the same being self-explanatory.

Will you kindly communicate with the City Solicitor's Office to execute lease.

Very truly yours,

A handwritten signature in cursive script that reads "Rose M. Mendonca".

Rose M. Mendonca
City Clerk

RMM/bp

Enc.