

LEASE AGREEMENT

Sykes Racing North America
& Customer

PMB 6685, 2711 Centerville Rd., Suite 120, Wilmington DE 19808
480.234.4912 tom@sykesna.com

This document establishes the terms of leasing a boat from Sykes Racing North America.

By signing below customer (the LESSEE), of address and Sykes Racing NA Inc. (SYKES NA) agree to the following terms regarding the lease of Sykes boat serial number, brief description. The boat's retail prices is \$xx,xxx, which is important to this agreement for calculating certain costs.

Action:

SYKES NA will lease the above boat to the LESSEE for the term and conditions stated below.

Term:

The lease term of is from start to end, a term of x months.

Description:

The boat includes the hull, seats, footstretchers, and rigging; all those components necessary for the regular and basic operation of the boat except oars/sculls. It is constructed of broader description. It has rigger kind and accessories. It is a colour hull with colour end decks.

Payments:

The LESSEE will remunerate SYKES NA at a rate of \$xxx per month; making one initial payment of \$xxx in month/year, \$xxx at the that start of each of the next three fiscal quarters, and one final payment of \$xxx in month/year.

Bond:

The LESSEE will pay a bond of 10% of the boat's price to SYKES NA, \$xxx. The bond will be cashed by SYKES NA, who will repay the bond in a cheque upon return of the boat in good condition at the end of the lease. Table 1 provides some examples of damage and estimated cost to fix that damage if fixed by SYKES NA. This amount will be deducted from the bond. If the amount of damage exceeds the bond, the LESSEE is responsible for having the boat repaired by an authorised service before the end of the lease.

Proof of Insurance:

The LESSEE is responsible for insuring the boat for its retail value (above) with a policy that has a deductible of no more than \$500. Proof of insurance must be provided at the time of signing this agreement.

Rights of Use, Structural, Cosmetic Changes:

The LESSEE has full rights of use for the boat, excluding making any major cosmetic or structural changes to the boat, save naming the boat with removable decal letters.

Early Termination and Default:

If the LESSEE chooses to break the lease prior to end of the term, or defaults on payment and thus breaks the lease, the LESSEE forfeits the bond. SYKES NA may pursue legal recourse to recover costs associated with the collection of the boat and periods of missed payments.

Delivery and Return Responsibilities:

The LESSEE is responsible for taking delivery of the boat, returning the boat, and any cost for hiring another party to do so. Returns can be made to SYKES NA or through pick-up arrangements, but such arrangements may be charged at the delivery market rate.

Table 1. Cost Estimates of Damage of Returned Boats (Common Examples)

Missing stainless steel hardware	as priced on return
Excessively dirty/stained boat	\$50.00/seat
Tape Residue (duct tape)	\$35.00/10 cm area
Bent Fin or Rudder	as priced on return
Dented deck crown	\$200.00
Cracked deck crown	\$250.00
Puncture/Dent in Hull	\$150.00
Serious Hull damage	<i>as estimated by The Boat Works at Shackamaxon</i>

Both parties agree to the above terms and conditions by signing below.

(Name)
LESSEE
(Address 1)
(Address 2)

Date

Thomas J. Gallagher
SYKES RACING NA
PMB 6685
2711 Centerville Rd., Suite 120
Wilmington DE 19808