

PROPRIETARY LEASE

THIS PROPRIETARY LEASE, made and entered into this _____ day of _____, _____, by and between (i) LIMESTONE BAY YACHT CLUB, INC., a Kentucky corporation with principal office at 5801 Upper River Road, Louisville, Kentucky ("Lessor") and (ii) _____, with mailing address at _____ ("Lessee").

WITNESSETH:

A. Lessor is the owner of the land and improvements in Jefferson County, Kentucky, commonly known as Limestone Bay Marina (the "Marina").

Lessee is the owner of ten shares of the common capital stock of Lessor to which this Lease is appurtenant and which have been allocated to a slip in the Marina as shown on the Plan thereof attached hereto and made a part hereof as Exhibit B

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the parties hereto hereby agrees as follows:

1. Lessor hereby leases to Lessee and Lessee hereby leases from Lessor, subject to the terms and conditions hereof, a certain slip in the Marina (_____) for a term commencing on _____, _____, and ending on December 31, 2080, unless sooner terminated as hereinafter provided (the "Term").

2. (a) The rent payable by Lessee for each year, or portion thereof, during the Term hereof, shall equal that portion of the Lessor's "Cash Requirements", as hereinafter defined, for such year, or portion thereof, which the Board of Directors of Lessor has allocated to the Slip pursuant to the By-laws of Lessor. Such rent shall be payable in equal monthly installments, in advance, on the first day of each month, unless the Board of Directors of Lessor at the time of its determination of the "Cash requirements" shall otherwise direct.

2. (b) "Cash Requirements" whenever used herein shall mean the estimated amount in cash which the Board of Directors shall from time to time in its judgment determine to be necessary or proper for (i) the operation, maintenance, care, authorization and improvement of and the taxes on the corporate property during the year or portion of the year for which such determination is made; (ii) the creation of such reserves for contingencies as it may deem proper; and (iii) the payment of any obligations, liabilities or expenses incurred or to be incurred, after giving consideration to (a) income expected to be received during such period, (other than rent from proprietary lessees) and (b) cash on hand which the Board of Directors in its discretion may choose to apply. The Board of Directors may, from time to time, modify its prior determination and increase or decrease the amount previously determined as the Cash Requirements of the Corporation for a year or portion thereof. No determination of Cash Requirements shall have any retroactive effect on the amount of the rent payable by Lessee for any period prior to the date of such determination. All determinations of Cash Requirements shall be conclusive as to all lessees of slips at the Marina.

2. (c) The failure of the Board of Directors to determine the Lessor's Cash Requirements for any year, or portion thereof, shall not be deemed a waiver or modification in any respect of the covenants and provisions hereof, or a release of the Lessee from the obligation to pay rent hereunder, and the rent computed on the basis of the Cash Requirements as last determined for any year, or portion thereof, shall thereafter continue to be the rent until a new determination of Cash Requirements shall be made by the Board of Directors of Lessor.

3. The Lessor, at its expense, shall keep in good repair all of the improvements now or hereafter located in the Marina, including all of the slips, the ramps and, the walkways leading thereto and all equipment and facilities located therein; provided, however, any damage caused to any part of the Marina through the negligence of Lessee or his guests, agents or employees shall be promptly repaired by Lessor, at Lessee's sole cost and expense.

4. The Lessor shall maintain and manage the Marina as first-class recreational boat marina and shall keep the Marina clean and free of debris and shall supply each slip with electrical hook-ups. The covenants by the Lessor herein contained are subject, however, to the discretionary power of the Board of Directors to determine from time to time what services shall be proper and the manner of maintaining and operating the Marina.

5. (a) If the Slip, or the means of access thereto or the Marina shall be damaged by fire or other causes covered under Lessor's insurance policy then in effect, the Lessor shall, at its own cost and expense, with reasonable dispatch after receiving notice of such damage, repair or replace or cause to repair or replaced, in a good and workmanlike manner, and as near as possible to the conditions prior to such damage, all portions of the Marina, including the Slip and the means of access thereto so damaged.

5. (b) If the damage resulting from fire or other casualty shall be so extensive as to render the Slip partly or wholly untenable, or if the means of access thereto shall be destroyed the rent hereunder shall proportionately abate until the Slip shall again be rendered wholly tenable and the means of access thereto restored; but if said damage shall be caused by the act or negligence of Lessee or the agents, employees or guests of Lessee, such rental shall not abate.

5. (c) If the Board of Directors determines that (i) the Marina is totally destroyed by fire or other cause, or (ii) the Marina is so damaged that it cannot be repaired within a reasonable time after the loss shall have been adjusted with the appropriate insurance carriers, or (iii) the destruction or damage was caused by hazards which are not covered under the Lessor's insurance policy then in effect, and if in any such case, the record holders of at least two-thirds (2/3) of the then issued and outstanding shares of the common capital stock of Lessor, at a shareholders meeting duly called for such purpose held within one hundred twenty (120) days after the determination of the Board of Directors as above provided, shall vote not to repair, rebuild or restore the Marina, then upon ten (10) days written notice from Lessor, this Lease and all other proprietary leases and all right, title and interest of the parties thereunder and the estates thereby created, shall thereupon immediately cease and expire and all rent shall be paid to the date of such destruction or damage.

5. (d) Lessor agrees to use its best efforts to cause to be included a provision in the insurance policies carried by Lessor waiving the insurance company's right of subrogation against the Lessee, and Lessee agrees to use its best efforts to cause to be included a provision in the insurance policies carried by it waiving the insurance company's right of subrogation against the Lessor.

6. Lessor shall keep full and correct books of account at its principal office which shall be open during all reasonable hours to inspection by Lessee or a representative of Lessee. Lessor shall deliver to Lessee within a reasonable period of time after the end of each fiscal year, an annual report of corporate financial affairs including a balance sheet and statement of income and expenses.

7. Each proprietary lease shall be in the form of this lease, unless a variation of any lease is authorized by lessees owning at least two-thirds (2/3) of Lessor's shares of common capital stock then issued and outstanding. The provisions of all proprietary leases then in effect or thereafter to be executed may be changed by the approval of lessees owning at least seventy-five (75%) of the Lessor's shares of common capital stock then issued and outstanding and such changes shall be binding on all lessees even if they did not vote for such changes, except that the proportionate share of rent or Cash Requirements payable by any lessee may not be increased and the minimum size of the boat permitted to be docked in his slip may not be decreased without his express written consent.

8. If at the date of commencement of this Lease, any third party shall be in possession or have the right to possession of the Slip, then, and in such event, Lessor hereby assigns to Lessee all of Lessor's rights against said third party from and after the date of commencement of the Term hereof and Lessee, by his execution hereof, assumes all of Lessor's obligations to such third party from and after such date.

9. If at the date of commencement of this Lease, Lessee has the right to possession of the Slip under any lease, then this Lease shall supersede such agreement, which shall be of no further force and effect after the date of commencement of this lease, except for claims theretofore arising.

10. Lessee, upon paying the rent and complying with all of the terms and conditions of this Lease on the part of Lessee to be performed shall at all times during the terms hereof, be entitled to quiet possession of the Slip, as assigned by the Board of Directors and to have, hold and enjoy the Slip, subject only to the rights of present tenants or occupants of the Slip, if any, and subject to any and all mortgages of the land and improvements constituting the Marina.

11. Lessee will pay the rent to Lessor upon the terms herein, provided, without any offset or deduction. Any overdue installment of rent shall bear interest at the rate of 20% per annum and shall be due and payable upon demand of Lessor, and all such overdue interest shall be deemed to be additional rent hereunder.

12. (a) The Lessee may not assign this Lease or the shares of common capital stock of Lessor to which it is appurtenant, or any interest therein, and no such assignment or transfer shall take effect as against the Lessor for any purpose except upon strict compliance with the provisions of the Articles of Incorporation and By-laws of Lessor and the following:

(i) All shares to which this Lease is appurtenant shall have been transferred to the proposed assignee; and

(ii) All sums due from Lessee shall have been paid to Lessor, together with a sum to be fixed by the Board of Directors to cover reasonable legal and other expenses of Lessor in connection with such assignment transfer;

12. (b) If this Lease and the shares of common capital stock of Lessor to which it is appurtenant shall be assigned in compliance herewith, then Lessee-assignor shall have no further Liability on any covenants of this Lease from and after the effective date of such assignment.

12. (c) Notwithstanding anything to the contrary contained herein or elsewhere, no consent of the Board of Directors or shareholders of Lessor shall be necessary for a sublease by Lessee of the Slip.

12. (d) Notwithstanding anything to the contrary contained herein or elsewhere, the foregoing provisions of this Paragraph shall not be applicable to any transfer by Limestone Bay Yacht Club of any shares of common capital, stock of Lessor owned by it and the leases appurtenant thereto and no consent of the Board of Directors or shareholders of Lessor shall be necessary in connection therewith.

12. (e) Any pledge of this Lease and the shares of common capital stock of Lessor to which it is appurtenant shall not be a violation of this Lease nor shall it require the consent of the Board of Directors or shareholders of Lessor. The pledgee or transferee of such pledged shares shall be required to comply with the foregoing provisions to effect a transfer of the books of Lessor of the shares so pledged and the lease appurtenant thereto. No such pledge shall be effective unless this Lease and the shares of common capital stock of Lessor to which it is appurtenant are pledged as an entirety.

13. This Lease is and shall be subject and subordinate to all present and future mortgages now or hereafter constituting a lien upon the land and improvements constituting the Marina and to any and all extensions, modifications, consolidations, renewals and replacements thereof. This clause shall be self-executing and no further instrument of subordination shall be required by any such mortgagee. Lessee hereby agrees to execute at any time, and from time to time, such documents as may be required by any mortgagee or by the Lessor for the purposes of formally subjecting this Lease to the lien of any such mortgage or mortgages and the duly elected officers of Lessor are, and each of them hereby is, irrevocably appointed the attorney-in-fact and agent of Lessee to execute the same upon demand and Lessee hereby ratifies any such instrument hereafter executed by virtue of the power-of-attorney hereby given.

14. If, upon the happening of any of the events mentioned in this Paragraph ~~14~~, the Lessor shall give to the Lessee a notice that the Term hereof will expire on a date at least ten (10) days thereafter, then the Term of this Lease shall expire on the date so fixed in such notice as fully and completely as if it were the date herein fixed for the expiration of the Term and all right, title and interest of Lessee hereunder shall cease and expire as of such date and Lessee shall thereupon quit and surrender the Slip to the Lessor and Lessor shall have the right to re-enter the Slip and to remove all persons and property therefrom either by summary proceedings or by any suitable action or proceeding at law or in equity by force or otherwise possess the Slip as fully as if this Lease had not been made:

(i) If Lessee shall cease to be the owner of the shares of common capital stock of Lessor to which this Lease is appurtenant or if this Lease shall be assigned to anyone not the then owner of all of said shares of common capital stock;

(ii) If there is an assignment of this Lease without full compliance with all of the requirements of the provisions of Paragraph 12 hereof and the Articles of Incorporation and By-laws of Lessor;

(iii) If Lessee shall fail to pay any installment of rent when due or for a period of thirty (30) days thereafter;

(iv) If Lessee shall be in default of any covenant or provision hereof (other than the payment of rent) and such default shall continue for a period of thirty (30) days after written notice of such default from Lessor;

