

LEASE

Of Apartment _____ St. James
Court Flatts Hamilton Parish in the Islands of Bermuda.

**ST. JAMES COURT
STANDARD SUB-LEASE AGREEMENT**

An Agreement made this _____ day of _____ two thousand _____
Between _____

In the islands of Bermuda (hereinafter called "the LANDLORD") of the first part,
ST. JAMES COURT LTD. of One (1) North Shore Road Flatts, Hamilton Bermuda
(hereinafter called "THE COMPANY" which expression shall where the context so
admits include the persons deriving title under it) of the second part and
(Hereinafter called "the TENANT" which expression shall where the context so admit
include the persons deriving title under him) of the other part
WHEREBY IT IS AGREED as follows:-

1.

(a) Premises Term Rent and Commencement

The LANDLORD lets and the TENANT takes ALL THAT the Premises described in Paragraph One (1) of this Schedule hereto (hereinafter call the "Premises") together with the fixtures and fittings, carpets and appliances in the Premises TO HOLD the same from the commencement day specified in Paragraph Two (2) of the said Schedule and in the absence of any specified term until the tenancy shall be terminated in accordance with Clause 5 hereof paying therefore in advance the periodic rent stipulated in Paragraph Four (4) of the said Schedule on the rent days specified in Paragraph 5 of the said Schedule the first payment being made on the signing hereof and before the commencement day;

(b) Deposit

On the signing hereof and before the commencement day the TENANT shall pay to the LANDLORD a deposit of the amount specified in Paragraph eight (8) of the said Schedule as security for the due performance by the TENANT of all the terms hereof on his part to be performed and observed and not later than sixty (60) days after the termination of the tenancy the LANDLORD shall after deducting the cost of making good any breach of the said terms of this Agreement pay over the balance (if any) of the said deposit to the TENANT. The final payment of rent hereunder shall be paid by the TENANT in full and no deduction from such payment of the deposit herein provided for shall be permitted PROVIDED THAT nothing herein contained shall prevent the LANDLORD from claiming any amount in excess of the said deposit expended in making good any aforementioned breach by the TENANT;

(c) Late Payment of Rent

Any rent or other payment due hereunder not paid on the due date shall have the right to bear the maximum rate of interest (which may vary from time to time) permitted by The Interest and Credit Charges (Regulations) Act 1975 or any Act for the time being amended repealing or replacing the same which said interest shall be calculated from the due date to the actual date of payment and for this purpose the due date in the case of rent shall be the rent days specified in Paragraph Five (5) of the said Schedule and in respect of any other payment hereunder shall be the date on which they are payable;

- (d) Termination Check
The TENANT shall permit the LANDLORD at any reasonable time and by prior arrangement during the last sixty (60) days of the tenancy to inspect the Premises and Contents.

2. THE TENANT HEREBY AGREES WITH THE LANDLORD as follows:-

- (a) Payment of Rent
To pay the said periodic rent on the days and in manner aforesaid clear of ALL DEDUCTIONS whatsoever to the LANDLORD; unless notified in writing by COMPANY of the non-payment of past maintenance fee or/and assessment due by LANDLORD. In such a case, TENANT shall inform the LANDLORD immediately, shall deduct from periodic rent and pay the monthly amount necessary to the COMPANY until the LANDLORD's maintenance/assessment debt is fully paid up.
- (b) Utilities
To be responsible for and pay all charges for the utilities specified in Paragraph Six (6) of the said Schedule and to exercise due care in the use of water. At the option of the LANDLORD, the annual water allowance of the Premises is ___gallons (___gallons daily). The TENANT shall read the meter at the end of each quarter of a year and shall send such reading to the LANDLORD within seven days after the end of the relevant quarter. The LANDLORD shall read the meter at the end of every six month period and the TENANT shall be charged for any excess water used at the current rate. If applicable, the relevant allowance is set out in the attached formula which has been signed by the parties;
- (c) Under letting
Not to assign, underlet or part with the possession or occupation of the Premises (including car-port/parking space, storage facilities thereof) fixtures, fittings, carpets and appliances or any part thereof;
- (d) Animals
Not to keep or permit to be kept in or about the Premises any animal or bird unless approved by the LANDLORD and the Board of Directors of St. James Court Ltd. prior to occupying the Premises or acquiring said animal or bird;
- (e) Trees and Shrubs
Not to remove cut, lop or prune any bulbs, perennials, trees or shrubs;
- (f) Number of Occupants
Not to permit the Premises to be occupied by more than the number of occupants specified in Paragraph Seven (7) of the said Schedule without the written consent of the LANDLORD, such consent not to be unreasonably withheld;
- (g) Nuisance and Damage
Not to do or permit to be done anything in or upon the Premises or the grounds enjoyed therewith which may be or become a nuisance or cause damage to the LANDLORD or the TENANTS or occupiers of other property in the neighborhood nor to keep any substance or do anything which would cause the insurance premium on the Premises to increase;

- (h) Maintenance of Premises and Contents
To keep the interior of the Premises and the fixtures, fittings, carpets and appliances clean and in good and tenable repair (reasonable wear and tear and damage due to exceptional weather conditions excepted) and in particular the TENANT shall at his own expense maintain all the doors and windows, locks, hinges, fastenings, screen wire, window glass, light fixtures and other fixtures and fittings upon and in the Premises in their present condition replacing with others of equal or better value any of the foregoing items and chattels which at any time during the tenancy may be damaged or destroyed or rendered useless;
- (i) Repairs
To effect at his own expense any minor repairs to the plumbing and electrical equipment and fixtures and all doors, windows and screens on the Premises which may be necessary as result of any negligent act or omission on the part of the TENANT, his family, invitees or licensees. Any major repair required to these items or painting of the Premises (including changing the colour of the wall-paint) must be approved by the LANDLORD prior the effecting such repairs or painting;
- (j) Cleaning
Not to cause or permit the Premises to become unclean or damaged by smoke from heating appliances or otherwise and to make good and remove any such un-cleanliness or damage nor to permit the Premises to become infested with fleas, roaches or vermin and at his own expense at time of any infestation to exterminate same professionally;
- (k) Entry by LANDLORD
To permit the LANDLORD (or any person acting on his/her behalf) at any reasonable time and by prior arrangement (or at any time in an emergency) to enter upon the Premises to examine the conditions thereof or of the said fixtures and fittings, carpets and appliances or to take an inventory thereof;
- (l) Viewing of the Premises
To permit the LANDLORD at any reasonable time and by prior arrangement to view the Premises with prospective TENANTS and purchasers during the last sixty (60) days of this Agreement [if same has not been renewed];
- (m) Use of Premises
Not to use the Premises or any part thereof for any purpose other than that of a private residence;
- (n) Notice of Damage
To give immediate notice to the LANDLORD of any damage or loss to any of the Premises howsoever arising;
- (o) Hazards
Not to store mopeds or motor- cycles or gas barbeques neither on the Premises nor on porches;
- (p) Fixtures
Not to remove the LANDLORD's fixtures without the LANDLORD's consent;

- (q) TENANT's Property
To insure for theft, fire, wind, windstorm, explosion or other catastrophe the TENANT's own property and personal effects within the Premises and to hold the LANDLORD harmless from any claim arising out of any loss or damage to the TENANT's property other than any loss or damage arising from the LANDLORD's negligence or willful misconduct;
- (r) LANDLORD Indemnity
To hold the LANDLORD harmless from any claim arising from accident or injury to the TENANT, his family or invitees during or on account of their use and occupation of the Premises other than from accident or injury arising from the LANDLORD's negligence or willful misconduct;
- (s) Special Conditions
In addition to paying the said periodic rent and performing and observing all his obligations under this Agreement the TENANT shall fully observe and perform all the special conditions (if any) set out in the said Schedule. In the event of any conflict arising between the Terms of this Agreement and the special conditions set out in the Schedule hereto the said special conditions shall prevail;
- (t) Vacating the Premises
To yield up the said Premises at the end of the tenancy with all additions (if any) thereto and the fixtures, fittings, carpets and effects in good and tenantable repair (except as aforesaid) and in accordance with the terms hereof and in particular to paint the interior of the Premises with good quality paint and to professionally clean the carpets within the last _____ days of this tenancy;
- (u) Standard Formal Lease
To perform and observe all the covenants contained in the Fifth Schedule to the standard Formal Lease of the St. James Court Development annexed hereto. The TENANT shall observe such other condominium rules in force from time to time.

3. Right of Re-entry

Provided that if the rent or any installment or any part thereof shall be in arrear for at least Fourteen (14) days after the same shall have become due (whether legally demanded or not) or if there shall be a breach of any of the Agreements contained in this Agreement or in the standard formal Lease or if the Premises shall (save by arrangement with the LANDLORD) be left vacant or unoccupied for over a month without the LANDLORD having been notified the LANDLORD may re-enter on the Premises and immediately thereupon the tenancy shall absolutely terminate without prejudice to the other rights and remedies of the LANDLORD.

4. THE LANDLORD HEREBY AGREES WITH THE TENANT AS FOLLOWS:-

- (a) Maintenance of Exterior
To ensure that the Company keep the exterior of the Premises (together with the Common Areas) in good repair and condition during the tenancy;

- (b) Liability of TENANT
That the TENANT shall not be liable for any repairs to the structure and exterior of the Premises unless he shall have negligently or willfully injured or damaged all or any part thereof and in any event the TENANT shall be liable only to the extent of the damage caused by such injury;
- (c) Quiet Enjoyment
The TENANT paying the said periodic rent and observing and performing all of his obligations under this Agreement may quietly enjoy the said Premises without any interruption by the LANDLORD or any person claiming through or under or in trust for him;
- (d) Use of Facilities
The rights of the LANDLORD to use the common area and pool pass to the TENANT under this Lease and the TENANT shall have the right to use the common areas, swimming pool and the boardwalk for all lawful recreational purposes BUT PROVIDED that the TENANT may not moor or berth any vessel at the Boardwalk;
- (e) TENANT's Indemnity
To hold the TENANT harmless from and against any and all claims in respect of damage to the Premises caused by fire or adverse weather or other insurable risks unless the same shall have been occasioned by the negligence of the TENANT;
- (f) Land Tax
To pay the Land Tax and any other taxes levied on the Premises;
- (g) Maintenance
To pay to the COMPANY the maintenance fees due under the Head-Lease to the LANDLORD (which charge will be passed on to the TENANT Clause 2(b) refers);

5. IT IS HEREBY AGREED AND DECLARED as follows:-

- (a) Termination
That subject to the provisions of the Rent Increases (Domestic Premises) Control Act 1978 or any Act for the time being amending, repealing or replacing the same, the tenancy shall terminate at the expiration of the term specified in Paragraph Three (3) of the said Schedule (unless renewed in accordance with Clause 1 (e) hereof (if applicable) in which case the tenancy shall terminate in accordance with the renewed Agreement) or in the absence of any specified term or if the TENANT shall remain in occupation at the expiry of any such specified term the tenancy may be terminated at any time by either party giving to the other notice in writing as specified in Paragraph Eight (8) of the said Schedule PROVIDED THAT if the periodic rent shall at any time be in arrears for seven (7) days or more (whether formally demanded or not) or if the TENANT shall be in breach of any of the terms hereof on his part to be performed and observed including breach of Clause 2 (t) hereof or if the TENANT commits any act of bankruptcy then the LANDLORD may at any time terminate the tenancy by giving the TENANT seven (7) days notice to quit AND FURTHER PROVIDED THAT any termination of the tenancy as aforesaid shall be without prejudice to the other rights and

remedies of the LANDLORD in respect of any antecedent breach of the Agreement on the TENANT's part herein contained;

(b) Expenses

That if the TENANT shall commit any breach of this Agreement by reason whereof the LANDLORD shall incur any outlay costs or expenses either before or after the termination of the tenancy the same shall be recoverable by the LANDLORD from the TENANT as if the same were rent in arrear;

(c) Notices

Any notice under this Agreement shall be in writing and may be served on the person on whom it is to be served either personally or by leaving it for him at his last known place of abode in the said Islands or by sending it by prepaid registered post to such place or to his place of business in the said Islands or (if he be the TENANT and absent from the said Islands) by delivering it in writing or sending it by prepaid registered post to the TENANT's known agent in the said Islands or by affixing it to a conspicuous part of the Premises; and in the case of a notice to be served on the LANDLORD the same shall be served on the LANDLORD at his home address;

(d) Non-Bermudian LANDLORD

In the event the LANDLORD is non-Bermudian this Agreement is subject to the approval of the Department of Immigration of Bermuda;

(e) Non-Bermudian TENANT

That if the TENANT is a non-Bermudian in Bermuda under contract and such contract is terminated and he is ordered by his employers to move away from Bermuda or if his work permit is revoked for any reason then the TENANT may terminate the tenancy hereby created by giving to the LANDLORD the notice to quit referred to in Paragraph Nine (9) of the Schedule hereto and on furnishing the LANDLORD with satisfactory proof of the termination of his contract and his orders to move away from Bermuda or the revocation of his work permit;

The LANDLORD further agrees as follows:

(f) Damage to the Premises

That if the said Premises or any part thereof shall during the said term be in part damaged by fire or adverse weather or other insurable risk the Premises shall be promptly repaired by the LANDLORD and an abatement will be made to the periodic rent corresponding with the time and extent to which the said Premises may have become untenable although if the said Premises should be so damaged as to be unsuitable for the purpose rented then it is mutually agreed between the parties hereto that the term of this Agreement shall cease and the periodic rent shall be payable up to the time of the damage;

(g) Car Park

The TENANT shall be entitled to use the storage facility located in _____ and the car-parking space designated # _____ allocated to the Premises for the purpose of parking one private motor vehicle and the

TENANT shall be entitled to park two motor cycles in the motor cycle parking area;

(h) The Premises

All references to the Premises include references to any part or parts of the Premises and to the carpets and appliances and the fixtures, fittings and effects or any of them and to the designated storage-space and the parking space available for one motor-vehicle;

(i) Arbitration

All questions or differences whatsoever which may at any time hereafter arise between the parties hereto regarding this Agreement or the subject matter thereof or arising out of or in relation hereto respectively and whether as to construction or otherwise shall be referred to a single Arbitrator to be agreed upon between the parties and any such reference shall be considered a submission to arbitration within the meaning of the Arbitration Act 1986 or any re-enactment or statutory modification thereof for the time being in force and be subject to and governed in all respects by the provisions of such Act aforesaid and the decision of such Arbitrator shall be final and binding upon the parties hereto;

6. The COMPANY

1. The COMPANY hereby covenants with the LANDLORD and the TENANT to comply with the covenants set forth in the Lease referred to in Clause 2 (u) hereof;
2. The COMPANY confirms that its previous consent (in writing) to this Lease has been obtained by the LANDLORD who confirms that the term of the Lease exceeds six months;
3. The TENANT confirms that he has read and agrees to comply with the rules and regulations of the COMPANY;
4. The LANDLORD agrees to pay to the COMPANY the quarterly maintenance fees, land taxes and to recover from the TENANT any water usage in excess of the allowance for the Premises.

AS WITNESS the hands of the parties hereto:-

THE SCHEDULE ABOVE REFERRED TO

- | | |
|---------------------------------|---|
| 1. The Premises: | Unit: St. James Court Flatts |
| 2. Commencement Day | |
| 3. Term: | One year |
| 4. Periodic Rent: | \$ per: month |
| 5. Rent days: | The first day in each month |
| 6. Utilities payable by TENANT: | Electricity; Telephone; (any excess water used [see water formula attached]); |
| 7. Number of Occupants: | One Family of _____or maximum of ____unrelated adults |
| 8. Deposit: | \$_____ .00 one month's rent |
| 9. Notice to quit: | 60 days (Clause 5(a) and Clause 5(e) refers): |

Special Conditions

1. Immigration

This Lease and any renewal hereof is subject to the Bermuda Immigration and Protection Act 1956.

SIGNED BY THE LANDLORD in the presence of:

LANDLORD (Name and Signature)

Witness: _____
Print Name

Address: _____

Witness Signature

Signed by _____ duly authorized for and on behalf of
the COMPANY in the presence of:

ST. JAMES COURT LTD.

Witness: _____
Print Name

Address: _____

Signature

SIGNED by the TENANT in the presence of:

TENANT

Witness: _____
Print Name

Address: _____

Signature

Stamp Duty \$ on original \$ on Counterparts

Sample Clauses to be inserted in the conditions:

1. Option to Renew - if applicable, please insert as 1.(c) of the conditions
If the TENANT wishes to renew this Agreement and if there are no subsisting breaches of any of the terms hereof and if the periodic rent is paid to date the LANDLORD will upon the TENANT giving notice at Lease two months prior to the expiration of the term thereof grant a renewal of this Agreement for a further term of one year and a rent and subject to such other conditions (if any) to be agreed between the parties. ANY RENEWAL of this Agreement must be approved by the Board of the Company ninety (90) days prior to the commencement of the proposed renewal and if same is not forthcoming this Lease Agreement shall terminate at the end of the term. The option to renew is limited to TWO YEARS after the initial first year of the Lease.

2. Option of Purchase
If the TENANT wishes to purchase the Premises (by way of long Leasehold in the form of Lease annexed hereto which is the standard formal Lease offered by the company and if he gives to the LANDLORD notice of his intentions so to do during the tenth month of this Agreement and if the TENANT has paid the periodic rent to date and has not been in breach of any of the terms of this Agreement he will be given the option to purchase the Premises together with the LANDLORD's fixtures, fittings, carpets and appliances at a market price to be agreed by the parties. The rent payable hereunder shall be paid by the TENANT up to the date of completion of the purchase and if applicable same shall be apportioned on closing.

The purchase of the unit will be subject to the TENANT obtaining an Alien License to acquire real estate in accordance with the terms of the Bermuda Immigration and Protection Act 1956. (Applies to Non-Bermudians only).