

KMI TERMS AND CONDITIONS

The following are some do's and don'ts while you're in our yard. Please initial or check off each one. If you have any questions, please ask.

SAFETY

- _____ 1. **SAFETY FIRST!** Use caution when working in the boatyard. Be alert, use proper safety equipment, and exercise good judgment at all times. Fully covered footwear is required at all times of all persons who enter the yard premises for any reason. **OWNER**, agents, or contractors may not use any of KMI's shops. Vehicles, pets, and unattended children are not permitted in the dry dock area.

- _____ 2. The **OWNER** warrants that his boat, including all contents, does not exceed 150 tons. The **OWNER** agrees to be held responsible for his agents or contractors if they do any damage to surrounding boats and/or property and will pay for such damage prior to his boat being released by KMI.

- _____ 3. The **OWNER** is responsible to inform KMI personnel of any components located below waterline such as transducers, heat exchangers, etc. that will affect the proper placement of lifting straps and any blocking or padding materials required.

- _____ 4. It is the **OWNER's** responsibility to inform KMI boatyard personnel of the proper location for lifting straps. The **OWNER** will be responsible for any damages sustained in the lifting process due to improper placement of straps and blocking or padding, but not limited to chine rails rub rails, keels, rudder, shafts, set-off rail, bulkhead, fittings, sling shifting, dry rot, etc.

- _____ 5. The proper use and inspections of scaffolding and ladders for use by the boat owners is the responsibility of the boat owners. KMI will provide scaffolding and ladders meeting the safety standards at the time of the turnover to the boat owners. Modifications or alterations to the scaffolding must be made by competent persons, notify KMI if this service is required.

- _____ 6. All high-pressure bottom cleaning will be done by KMI employees only.

- _____ 7. **MOVING BOAT STANDS AND/OR BLOCKS** are to be done only by yard personnel. There will be a labor charge after the first move.

- _____ 8. Fires are not permitted in the yard.

- _____ 9. **ALCOHOL** – No drinking allowed.

ENVIRONMENTAL

- _____ 10. To comply with Hawaii State Clean Water and Air Statutes, ALL vessel projects on KMI property requiring sanding/grinding will be contained with screen or tarps to prevent any fugitive dust from becoming airborne. Also, use of dustless sander/grinder(s) is required. KMI reserves the right in establishing appropriate precautions necessary to contain the following: All dust, fiberglass, paint, or any other air or water borne substances. Containment screens may be provided by the vessel owner or may be rented from KMI. Tarps under the boat are required for sanding and grinding and fire blankets are required for welding. Screens set-up is the responsibility of OWNER. Screen set-up service is available from KMI at normal hourly labor rates. All debris must be swept and disposed of daily by **OWNER**.
- _____ 11. Vessel owner/representative acknowledges the receipt of Best Management Practices handout.
- _____ 12. Housekeeping – Sweep and empty trash in your area daily. DO NOT leave hazardous materials such as waste oil products on KMI property.
All boats are required to sweep and keep their work areas clean and dust free on an on-going basis. Failure to meet this requirement will result in our yard staff cleaning your area and you will be charged for labor costs.
- _____ 13. ALL SPRAY PAINTING AND SANDBLASTING must be done in the containment building. **CONTRACTORS** doing work in containment building must be properly insured with Keehi Marine, Inc. named as additional insured.
- _____ 14. Clean up daily and prior to launching is required of all yard customers. There will be an extra charge for labor if clean up is not done prior to launching. Vessel undergoing extensive repairs or otherwise producing large amounts of rubbish will be subject to a disposal charge.
- _____ 15. Customers using needle guns must supply their own air. Hours of use are limited to 8AM to 4PM on weekdays and 9AM to 4PM on Saturdays. No use allowed on Sundays.
- _____ 16. No washing of vessel with water hose without approval of yard personnel. There will be additional charges for cleanup.

BOATYARD CHARGES AND PROCEDURES

- _____ 17. Vessels requiring non-standard Travelift rigging will be assessed additional labor charge. Vessels requiring special padding may be subject to an additional charge for extra labor time. The **OWNER** will be billed at KMI's current skilled labor rate for each man.
- _____ 18. A deposit in the amount of the haul out rate plus two (2) laydays is required in advance prior to being hauled out. The **OWNER** has read and understood KMI's current yard rates.
- _____ 19. There will an extra fee for haul outs or launches during non-business hours (after hours, weekends, and holidays). Arrangements must be made with the office at least 72 hours in advance.
- _____ 20. Arrangements for launches must be made with the office at least 72 hours in advance. The launch times are filled on a first-come, first served basis. Please provide us with your approximate date of launch during your check-in at the office.
- _____ 21. **NO CASH, NO SPLASH. ALL KMI INVOICES MUST BE PAID IN FULL PRIOR TO LAUNCHING.** In the event that additional billing information becomes available after launching your vessel, KMI will provide an invoice for the additional amount due. Such additional amount shall be deemed due and payable upon receipt. All collateral securing payment shall be renewed, regardless of the fact that the vessel has been launched. KMI reserves the right to require payment in cash or by certified check. A 3% service charge will be assessed on credit card charges over \$5,000. All payments are due upon receipt of the invoice and will be considered delinquent thereafter. In the event that KMI finds it necessary to place your account in the hands of a collector and/or attorney for payment, the undersigned agrees to pay for all reasonable collection costs including the attorney's fees. A late charge of 1% per month will be added to all delinquent accounts.
- _____ 22. Returned checks due to insufficient funds will be assessed a \$25 fee.
- _____ 23. Vessel in the yard for more than 30 days will be billed on a monthly basis. Such invoices shall be due upon receipt. KMI will disallow any further work to be done on vessel for delinquent accounts.
- _____ 24. Any vessels moored at the KMI work dock for more than one day prior to haul out and on day subsequent to launching will be subject to normal work dock charges.
- _____ 25. There will be a \$30 per day extra charge for 220 electrical usages.
- _____ 26. **INSURANCE:** Vessels are not insured or protected by KMI. **OWNER** acknowledges that his boat may be dry-docked in close proximity to the boats of owners, and that **OWNER's** boat, property, and persons utilizing same may be in danger of either injury, damage, or destruction occasioned by acts or omissions on the part of other owners, boats, or by any third party, or by any act of God or Nature. The **OWNER** is responsible for securing his boat in anticipation of events

such as strong winds, storms, hurricanes, tsunamis, and other natural occurrences. The **OWNER** is responsible for refrigerated items left on board during haul outs or while moored at KMI docks, for loss or damage to boats, or articles which have been left in boats, or any other cause beyond KMI's control.

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27. NO OUTSIDE LABOR/CONTRACTORS PERMITTED without proper check-in and approval from the administration office. All approved outside labor/contractor must provide a copy of their HAWAII GENERAL EXCISE TAX LICENSE and CERTIFICATE OF INSURANCE (\$1 million General Liability policy with Keehi Marine, Inc. named as additional insured) to the administrative office and sign the CONTRACTOR AGREEMENT.

The CONTRACTOR SURCHARGE SCHEDULE IS AS FOLLOWS:

- 15% surcharge on all labor charges for work done by a contractor who has a place of business at KEEHI MARINE CENTER
- 15% surcharge on all labor charges (except those listed below) for work done by a contractor who DOES NOT have a place of business at KEEHI MARINE CENTER
- 30% surcharge on all labor charges on BOTTOM SANDING/ PAINTING, PULLING BEARINGS, BUFFING HULLS, PROP PULLING (except variable pitch props)

Unless prior arrangements have been made with the office, the **OWNER** is responsible to pay for the surcharge prior to launching. Surcharge for work done by outside contractors on a barter basis will be calculated on the fair value of services as determined by KMI. Any contractors not in compliance with KMI regulations will be disallowed from working in the yard.

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28. Living aboard vessel while in drydock is prohibited.
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29. Lock your vessel and secure all tools, equipment and other items when leaving the area. Never leave valuable items in the vessel. The **OWNER** will be responsible for loss or theft.
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30. There will be no layday discounts due to rain.
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31. Vehicles may unload in the yard (see yard personnel for access) and then move to appropriate parking area.
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32. KMI yard hours are 7 days a week from 7:00AM to 9:00PM but yard gates will be locked at 6:00PM. Please make arrangements with our security company if you plan to work past 6:00PM for gate access.
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33. PRIOR TO LAUNCHING – Our yard personnel will check to make sure your area is clean and free of any hazardous materials. All scaffolding must be returned to trailers.

BY MY SIGNATURE BELOW, I acknowledge that I have read and understood the contents of this KMI TERMS & CONDITIONS and agree to be bound by all of the terms and conditions. I agree to hold KMI harmless from and against any and all damages or injuries suffered by himself, his agents, his employees, and his property while at Keehi Marine Center.

Vessel Owner or Agent (“Owner”)

Date

KEEHI MARINE, INC. – KMI

HAZARDOUS SUBSTANCES – USE AND DISPOSAL AGREEMENT

DEFINITION: The term "Hazardous Substance" as used in this Agreement shall mean any product, substance, chemical material or waste whose presence, nature, quantity and/or intensity of existence, use manufacture, disposal, transportation, spill realize or effect, either by itself or in combination with other materials expected to be in, on, upon below or within the Premises:

(1) Potentially injurious to the public health, safety or welfare, the environment or the Premises:
(2) Regulated or monitored by any government authority, or (3) a basis for liability of KMI to any governmental agency or third party under any applicable statute or common law theory. Hazardous Substance shall include, but not limited to, hydrocarbons, petroleum, gasoline, crude oil or any products, by-products or fractions thereof.

USE: Boat Owner/Agent may, without KMI's prior consent, but in compliance with all Applicable Law, use any ordinary and customary materials reasonably required to be used in the normal course of business permitted on the premises, so long as such use is not Reportable Use and does not expose the Premises or neighboring properties to any meaningful risk of contamination or damage or expose OWNER to any liability therefore.

INDEMNIFICATION: Boat Owner/Agent shall indemnify, protect, defend and hold KMI, its partners, representatives, agents, employees, lenders, if any, the State of Hawaii, and the Premises harmless from the against any and all losses. Boat Owner/Agent's obligations include, but shall not be limited to, the effects of any contamination or injury to person's property or the environment created or suffered by Boat Owner/Agent, and the cost of removal, redemption, restoration and/or abatement thereof, or of any contamination therein involved and shall survive the termination of the Agreement.

COMPLIANCE: KMI and KMI's owners, employees, and representatives shall have the right at any time to inspect the condition of the Premises and verify compliance, including but not limited to, the installation, operation, use, monitoring, maintenance or removal of any Hazardous Substance or storage tank on or from the Premises. Except as otherwise provided in this Agreement, Boat Owner/Agent shall, at Boat Owner/Agent's sole cost and expense, fully, diligently and in a timely manner, comply with all "Applicable Law" which term is used in this Agreement to include all laws, rules, regulations, ordinances, and directives relating in any manner to the Premises, including but not limited to, environmental conditions on, in under or about the Premises, and the use, removal, transportation, storage, spill, or release of any Hazardous Substance.

Print Name

Boat Name

Signature

Date

Best Management Practices

Some environmental guidelines to follow in the yard:

- When sanding boat bottom or topside, the boat must be contained (see Dust Control handout).
- When sanding boat bottom or topside, dustless sanders must be used.
- No spray painting outside the containment building.
- Daily all used sanding supplies, paint cans, paint containers, brushes, sleeves, roller pans, rags and all other used materials must be picked up and disposed of into proper waste containers.
- Do not store fuel, gas, oil, contaminated rags or paper around your work area.
- Fuel, bilge water, oil, or other liquids removed from the boat must be immediately removed from the boat yard.
 - State Harbors Division maintains oil drop off points. Keehi Small Boat Harbor (808) 832-3464.
 - Other waste products can be disposed of with Philip Services (808) 682-3033 or Unitek (808) 682-8284.
 - For waste oil clean up supplies, contact Dash Pacific (808) 529-8400.
- Keep work area swept clean periodically throughout the workday. Cleanup any spills from the ground immediately.
- Leave staging material and scaffolding in an organized manner when work is complete.
- Please practice safe work habits and wear appropriate safety clothing while in the boatyard.
- If you have any questions or concerns please ask boatyard personnel.

* Prior to launch, please have Keehi Marine Center yard personnel inspect your area and sign off below.
Take this up to the administration office when you pay your bill.

Print Name

Boat Name

INDEPENDENT CONTRACTOR AGREEMENT

This Independent Contractor Agreement (the "Agreement") is by and between _____ ("Contractor") and Keehi Marine, Inc. ("KMI") and pertains to work performed by contractor on sailboats, motor vessels or other property owned by other person's ("owners").

Contractor provides _____ (Type of Service) to owners whose property may be serviced, overhauled, refurbished or repaired on the KMI premises. This Agreement is intended to list the parties' rights and responsibilities in connection with such service.

1. Contractor confirms that its arrangements with Owners are based upon independent, direct agreement between Contractors and Owners. Contractor is not and shall not be deemed to be KMI's Subcontractors, employee, agent or other representative in connection with any services performed by Contractor at the KMI premises. Contractor shall obtain written confirmation of the above by way of the attached acknowledgement.
2. Contractor shall continue to provide to KMI appropriate certificate(s) of liability insurance naming KMI as an additional insured for such policy amounts as KMI may reasonably determine should be applicable.
3. Contractor shall pay to KMI a surcharge of 15 percent or 30 percent (if applicable) on labor charges billed to Owner. The surcharge shall be payable upon completion of work on the Owner's boat. Contractor shall also provide KMI with a copy of the invoice upon completion of work. If Contractor has made prior arrangements whereby Owner is to pay for the surcharge, then Contractor/Owner must notify KMI of the arrangement.
4. Contractor shall maintain all appropriate workman's compensation, personal injury, property damage and other insurance reasonably necessary for the performance of Contractor's services to Owner(s) and shall indemnify and hold KMI harmless from any and all claims by Contractor, Contractor's employees, Owner(s) or other parties which claims relate to or arise from the services performed by Contractor at the KMI premises.
5. In consideration for the foregoing, Contractor shall not be assessed an additional charge for conduction of repair services on Owner(s)' vessels while such vessels are in dry dock at KMI. KMI may, however, assess a direct charge to Owner(s) pursuant to terms and conditions to be agreed upon by KMI and Owner. Contractor shall remain responsible for the payment of rent as may be applicable for the sublease of commercial or other space at the KMI facility.
6. Contractor and KMI agree and acknowledge that this Agreement may be terminated at any time and for any reason upon 30 days' written notice without damage or liability of any kind to either party.

KEEHI MARINE, INC.

By _____
It's Contractor Date

By _____
It's KMI Representative Date

CONFIRMATION OF INDEPENDENT CONTRACTOR RELATIONSHIP AND INDEMINITY AGREEMENT

The undersigned (collectively, "Owner") of the vessel " _____ " have hired _____ ("Contractor") to perform services on Owner's property at the property at the premises of Keehi Marine, Inc. ("KMI").

Owner confirms that Contractor is not a subcontractor, employee, agent or other representative of KMI and that the work to be performed on Owner's property and the agreement for the compensation of Contractor by owner for such work has been negotiated and agreed upon directly between Owner and Contractor.

Owner shall defend and hold harmless KMI, its officers, directors, agents, and employees from any and all claims which relate to or arise from the services performed by Contractor in connection with Owner's property.

Vessel Owner or Agent ("Owner")

Date

By _____
KMI Representative

Date