

2.2.2. Location of Slips. Absent a CSD Board determination of compelling marina safety, design, or operational problems, the Marina slips leased to the FLLHA on long-term leases shall be contiguous slips located on the pier or piers that extend from the old gas dock. If non-FLLHA slips are located on the west-most side of the west-most pier, then a suitable provision will be made to ensure that craft entering those slips do not encroach on the adjacent beach area.

2.2.3. Definition of Long-term Leases. Long-term leases are defined to be year-to-year, renewable leases. The term is one year—May 1 of one year to May 1 of the subsequent year. By March 1 of each year the FLLHA will be reminded to notify the CSD by May 1 if it does not wish to renew some of its leases for the subsequent year; the long-term leases continue until canceled by the FLLHA. Failure to notify the CSD of the FLLHA's intent to cancel will make the FLLHA responsible for the next-year's fee.

2.2.4. Obtaining Long-term Leases. By March 1 of each year FLLHA will notify the CSD of the number of new long-term leases that it would like to obtain, up to a maximum of the number specified in 2.2.1.

2.2.5. Rental Fees. The FLLHA will pay an annual rental fee equal to "market rent" for each leased slip. "Market rent" is defined as the most favorable rent charged in that year for a comparable slip.

2.2.6. Deposits on Long-term Leases. Each new long-term, lease request will be accompanied by a \$1,000 per slip deposit which will be held, interest free, for the duration of the long-term lease and will be returned to the lease-holder when the lease is canceled.

2.2.7. Ownership and Operation. All Marina facilities will be constructed, owned, insured, maintained, and operated under the control of the CSD and will be available only for the summer season as defined by the CSD. Maintenance and operation will include annual installation, removal, and storage of docks. All slips are to be protected by an appropriate breakwater. All costs of operation are to be borne by the CSD.

2.2.8. Sublease of Slips. The right to sublease any slip leased on a long-term basis will be permitted only pursuant to guidelines to be developed by the CSD.

2.2.9. Leases subject to CSD Rules. All use of the Marina slips will be in accordance with CSD rules. For example, despite the existence of a long-term lease, the CSD may suspend mooring in the Marina to any boat that is operated in so unsafe or dangerous a manner that it constitutes a hazard.

3. Right of First Refusal. In the unlikely event that at some point in the future the CSD will be unable or unwilling to continue operation of the Community Area and there is no other entity acceptable to the CSD to continue operating the Community Area for the benefit of the Community and public, the FLLA will have a right of first refusal before sale to a private party for private or commercial use.