LEASE

This Lease Agreement ("Lease"), made effective as of the ____ day of _____, 2026, between CITY OF MACKINAC ISLAND, a Michigan municipality whose address is 7358 Market Street, P.O. Box 455, Mackinac Island, Michigan 49757, herein referred to as Lessor, and MACKINAC ISLAND TRANSPORTATION AUTHORITY, an Act 196 Transportation Authority, pursuant to 1986 PA 196, whose address is 7358 Market Street, P.O. Box 1936, Mackinac Island, Michigan 49757, herein referred to as Lessee.

WITNESSETH

WHEREAS, Lessor is the sole owner of the premises described below, and desires to lease the premises to Lessee for the purposes of operating a public transportation and freight service for the general public between Mackinaw City, Michigan, St. Ignace, Michigan and Mackinac Island, Michigan known as "THE MACKINAC ISLAND COAL DOCK"; and

WHEREAS, Lessee desires to lease the premises for the purposes of operating a public transportation and freight service for the general public between Mackinaw City, Michigan, St. Ignace, Michigan and Mackinac Island, Michigan known as ""THE MACKINAC ISLAND COAL DOCK;" and

WHEREAS, the parties desire to enter into a lease agreement defining their rights, duties and liabilities relating to the premises;

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties hereto agree as follows:

SECTION ONE
DEMISED PREMISES AND PURPOSE
AND
ASSIGNMENT OF RENTS AND LEASES

Lessor leases the buildings, docks and land located in the City of Mackinac Island, County of Mackinac, State of Michigan, and more particularly described in Exhibit "A," attached hereto and made a part hereof, commonly known as MACKINAC ISLAND COAL DOCK, Mackinac Island, Michigan (the "Demised Premises"), to Lessee. Lessee shall have the right to use the Demised Premises for the operation of ferry services transporting passengers and freight to and from Mackinaw City, Michigan, St. Ignace, Michigan and Mackinac Island, Michigan and outlier locations as now operated or may be operated in the future, and which is currently known as "THE MACKINAC ISLAND COAL DOCK" (the "Permitted Use). Buildings and other improvements may be removed from or erected upon or made to the Demised Premises as determined by Lessee to be necessary or useful for the Permitted Use or any other approved use of the Demised Premises, Lessee may use the Demised Premises for any other use permitted by law provided that Lessor' approves such use, which approval Lessor agrees not to unreasonably withhold, delay or condition.

Lessor hereby transfers and assigns to Lessee all right, title and interest of Lessor in the commercial leases heretofore or hereafter entered into for the rental of a portion of Lessor's premises described in Exhibit A, including all modifications, renewals and extensions of such leases, and all rentals and other amounts, including rental deposits, receivable by Lessor thereunder and all proceeds thereof, including, but not limited to, cash, checks, drafts, and instruments.

Lessor and Lessee further agree as follows:

1. Lessee is authorized and shall be entitled to do in its own name at Lessee's expense, all things with respect to the assigned leases, including the right to collect, sue for and receipt for the payment of all moneys due or to become due thereon, to endorse In the name of Lessor any cheeks, drafts, orders, notes or other instruments payable to Lessor which Lessee may receive in connection with any of the assigned leases, and to settle, adjust and compromise all present and future claims arising out of any of the assigned leases, and Lessor hereby authorizes the lessees of said assigned leases to make payment thereof directly to Lessee without the necessity of any further consent by Lessor.

2. Lessee shall at Lessee's sole expense, diligently collect, receipt for, and sue for all payments due with respect to the assigned leases, and Lessee may use such proceeds in the ordinary course of business.

3. Lessor warrants and agrees that the assigned leases are bona fide leases between the Lessor and the lessees of the assigned leases named therein and that no defense thereto exists.

SECTION TWO
TERM AND RENT

Lessor demises the above premises for a term of forty (40) years commencing the date of execution of this Lease Agreement, and terminating on _____ or sooner as provided herein, at the annual Base Rent of FIFTY-FIVE THOUSAND AND 00/100 Dollars ($55,000.00) payable on or before December 31st of each year of this term of this Lease Agreement.

The Base Rent shall be renegotiated by Lessor and Lessee every five (5) years during the term of this Lease, with the first such renegotiation to occur on or before the fifth (5th) anniversary of the commencement date and each fifth (5th) anniversary thereafter. Any agreed adjustment to the Base Rent shall be set forth in a written amendment executed by both parties. Except for any agreed adjustment to the Base Rent, all remaining terms, covenants, conditions, and obligations of this Lease shall remain unchanged and in full force and effect.

Lessee shall have right to renew the term of this Lease for successive terms of Lease for TWENTY~~TEN~~ (~~1~~20) years upon notice given to Lessor within the last twenty-four (24) months of then current lease term. Rent for each term shall be determined the fair market rental value for the premises as then being used by Lessee determined by the parties hereto.

Notwithstanding anything to the contrary contained in this Lease, Lessor may terminate this Lease at any time, with or without cause, by providing Lessee not less than thirty (30) days' prior written notice of termination. Upon expiration of such thirty (30) day notice period, this Lease shall terminate, and Lessee shall surrender possession of the Demised Premises in accordance with the terms of this Lease. Rent shall be prorated through the effective date of termination, and Lessee shall remain liable for all rent, additional rent, utilities, taxes, charges, costs, and other obligations accrued through such date. On or before the effective date of termination, Lessee shall remove from the Demised Premises all personal property and movable trade fixtures belonging to Lessee.

SECTION THREE
ADDITIONAL RENT

All taxes, charges, costs, special assessments and expenses that the Lessee assumes or agrees to pay hereunder, together with all interest and penalties that may accrue thereon in the event of the failure of Lessee to pay those items, and all other damages, costs, expenses, and sums that Lessor may suffer or incur, or that may become due, by reason of any default of Lessee or failure by Lessee to comply with the terms and conditions of this Lease shall give Lessor ail of the rights and remedies as herein provided for failure to pay rent.

SECTION FOUR
ALTERATIONS AND IMPROVEMENTS

1. Subject to the provisions of Section One above and the conditions set forth below and at its own expense, Lessee may at any time during the lease term make any alterations, additions, deletions, or improvements in and to the Demised Premises and the improvements on the Demised Premises.

2. Conditions with respect to alterations, additions, or improvements are as follows:

    a. Before commencement of any work, all plans and specifications shall be filed with and approved by all governmental departments or authorities having jurisdiction and any public utility company having an interest therein, and all work shall be done in accordance with requirements of local regulations.

    b. Prior to the commencement of any work, Lessee shall pay the amount of any increase in premiums on insurance policies provided for herein because of endorsements to be made covering the risk during the course of work.

3. All alterations, additions, and Improvements on or in the Demised Premises at the commencement of the lease term, and that may be erected or installed during the term, shall become part of the Demised Premises and the sole property of Lessor upon the expiration of the lease term, except that all moveable trade fixtures installed by Lessee shall be and shall remain the property of Lessee.

SECTION FIVE
REPAIRS

Lessee shall at all times during the lease term and at its own cost and expense, repair, replace and maintain in a good, safe, and substantial condition, all buildings and any improvements, additions, and alterations thereto, on the Demised Premises, and shall use all reasonable precaution to prevent waste, damage, or injury to the Demised Premises.

SECTION SIX
TAXES

Lessee shall pay, on or before the last day on which payment may be made without penalty or interest, all taxes, assessments or other governmental charges that shall or may during the lease term or any renewal thereof, be imposed on, or arise in connection with the use of, the Demised Premises or any part thereof. Lessee shall pay all taxes assessed in lieu of or in addition to the foregoing under all present or future laws of governmental authorities whatsoever. Lessee shall also pay all personal property taxes assessed against personal property belonging to Lessee. Lessee shall have the right to apply for the conversion of any special assessment for local improvements in order to cause the same to be payable in installments, and on the conversion, Lessee shall be obligated to pay only those installments that may become due during the lease. Lessee shall within thirty (30) days after the time provided for the payment of any tax or other governmental charge by Lessee, produce and exhibit to Lessor satisfactory evidence of payment. It is the intention of the parties that the rent herein is net rental, and Lessor shall receive the same free from all liability for taxes on the premises which liability shall be Lessee's.

SECTION SEVEN
UTILITIES

All applications and connections for necessary utility services on the Demised Premises shall be made in the name of Lessee only, and Lessee shall be solely liable for utility charges as they become due, including those for water, gas, electricity, and telephone service. Lessor shall be responsible for all costs attendant to the initial set up of the various utilities (i.e., cost of power lines, telephone cables, gas lines, etc.).

SECTION EIGHT
SUBLETTING

Lessee shall have the right to sublet any or all of the Demised Premises, subject to the prior written approval of Lessor, which approval shall not be unreasonably withheld, conditioned, or delayed..

SECTION NINE
INSURANCE

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1. During the term of the Lease and for any further time that Lessee shall hold the Demised Premises, Lessee shall obtain and maintain at its expense the following types and amounts of insurance:

   a. *Public Entity Liability Policy*. Throughout the Term of this Lease, Lessee shall maintain Public Entity Liability Insurance, including Public Officials' Liability, issued on a claims-made and reported basis, covering the wrongful acts of the Lessee and its officials, employees, board members, and volunteers arising out of Lessee's governmental operations.

      i. Such insurance shall be written with limits of liability of not less than One Million Dollars ($1,000,000) per Claim and One Million Dollars ($1,000,000) in the aggregate, inclusive of damages and claims expenses, as provided in the policy declarations.

      ii. Coverage shall include, to the extent provided by the policy:

         1. Public officials' liability;
         2. public entity liability; and,
         3. employment practices liability.

      iii. Lessee shall maintain such coverage continuously during the Term and shall provide evidence of coverage upon execution of this Lease and upon each renewal. Lessee shall be responsible for compliance with all policy notice, reporting, and retention requirements.

      iv. Coverage shall be subject to the terms, conditions, limitations, and exclusions of the Public Entity Liability policy, including without limitation exclusions for bodily injury, property damage, pollution, contractual liability beyond that imposed by law, professional services, and other matters excluded under the policy. Nothing in this Lease shall be construed to require coverage for risks not insured under the policy or to expand coverage beyond that actually provided.

      v. This insurance shall be primary as to Lessee but shall not be required to name Lessor as an additional insured, as such status is not provided under public entity liability policies of this type.

   b. *Marine Liability Insurance***.** Commencing on the date Lessee first takes possession of the Demised Premises and continuing throughout the Term and any renewal term, Lessee shall procure and maintain, at its sole cost and expense, Marine General Liability Insurance covering Lessee's maritime operations on, in, or about the Demised Premises, including docks, wharves, piers, terminal operations, berthing, docking, loading and unloading activities, and related waterfront operations.

      i. Such insurance shall be written on an occurrence basis and shall provide limits of liability of not less than Two Million Dollars

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($2,000,000) per occurrence, combined single limit, and Two Million Dollars ($2,000,000) general aggregate, inclusive of defense costs and legal fees, consistent with the limits set forth in the policy declarations.

ii. The policy shall be issued by an insurer authorized to do business in the State of Michigan and reasonably acceptable to Lessor. Lessor shall be named as an Additional Insured, but only to the extent of liability arising out of Lessee's operations at the Demised Premises and only to the extent such coverage is available under the Marine General Liability policy and its endorsements. marine

iii. Coverage shall be subject to the terms, conditions, limitations, and exclusions of the Marine General Liability policy, including without limitation:

1. Pollution coverage limited to sudden and accidental discharges, as provided by endorsement;
2. Absolute exclusions for punitive, exemplary, or treble damages;
3. Oil Pollution Act of 1990 disclaimer, with no representation of financial responsibility under OPA 90; and,
4. Exclusions for employment-related practices, professional liability, terrorism, hostile acts, and communicable disease. marine

iv. The policy shall not be canceled, allowed to lapse, or materially modified without at least ten (10) days' prior written notice to Lessor. Lessee shall provide certificates of insurance evidencing the required coverage prior to commencement of the Term and upon each renewal, together with copies of endorsements evidencing Additional Insured status if requested by Lessor. marine

v. Nothing in this Section shall be construed to require Lessee to obtain coverage not provided by the Marine General Liability policy in effect, including coverage for punitive damages or statutory financial responsibility under the Oil Pollution Act of 1990.

2. *Public Officials Management Liability*. Throughout the Term of this Lease, Lessee shall maintain Public Officials Management Liability and Employment Practices Liability Insurance, written on a claims-made and reported basis, covering wrongful acts of Lessee, its officers, board members, employees, and volunteers arising out of Lessee's governmental operations.

   a. Such insurance shall be maintained with limits of liability of not less than One Million Dollars ($1,000,000) for Public Officials Liability and One Million

Dollars ($1,000,000) for Employment Practices Liability, subject to an aggregate policy limit of One Million Dollars ($1,000,000).

b. Deductibles or retentions shall not exceed $0 for Public Officials Liability and $10,000 for Employment Practices Liability.

c. Coverage shall be subject to the terms, conditions, limitations, and exclusions of the policy, and nothing in this Lease shall be construed to require coverage for risks not insured under the policy or to expand coverage beyond that actually provided.

3. *Waiver of Subrogation.* Each party waives all claims of every character against each other for which the party is otherwise entitled to make such claims is covered by insurance to the extent of any such insurance, provided the insurance covering the same is not invalidated by such waiver. Each party shall obtain from their respective insurance companies, waivers of subrogation of all such claims.

SECTION TEN~~NINE~~
INDEMNITY

Lessee shall indemnify Lessor against all expenses, liabilities, and claims of every kind, including reasonable attorney fees, by or on behalf of any person or entity arising out of either (1) a failure by Lessee to perform any of the terms or conditions of this Lease, (2) any injury or damage happening on or about the Demised Premises (including any damage from any hazardous waste directly caused by actions of the Lessee), (3) failure of Lessee to comply with any law of any governmental authority, or (4) any mechanic's lien or security interest filed against the Demised Premises or equipment, materials, or alterations of buildings or improvements thereon caused by Lessee.

SECTION ELEVEN~~TEN~~
DEFAULT OR BREACH

Each of the following events shall constitute a default or breach of this Lease by Lessee:

1. If Lessee, or any successor or assignee of Lessee while in possession, shall file a petition in bankruptcy or insolvency or for reorganization under any bankruptcy act, or shall voluntarily take advantage of any such act by answer or otherwise, or shall make an assignment for the benefit of creditors.

2. If involuntary proceedings under any bankruptcy law or insolvency act shall be instituted against Lessee, or if a receiver or trustee shall be appointed for all or substantially all of the property of Lessee, and such proceedings shall not be dismissed or the receivership or trusteeship vacated within sixty (60) days after the institution or appointment.

3. If Lessee fails to pay Lessor any rent or additional rent when the rent shall become due and shall not make the payment within ten (10) days after notice thereof by lessor to Lessee. A late fee of FIVE (5%) PERCENT of the rental payment shall be due and payable in the event said rental payment is ten or more days late.

4. If Lessee shall fail to perform or comply with any of the conditions of this Lease and if the nonperformance shall continue for a period of thirty (30) days after notice thereof by Lessor to Lessee or, if the performance cannot be reasonably had within the thirty (30) day period, Lessee shall not in good faith have commenced performance within the thirty (30) day period and shall not diligently proceed to completion of performance.

5. If Lessee shall vacate or abandon the Demised Premises.

6. If this Lease or the estate of Lessee hereunder shall be transferred to or shall pass to or devolve on any other person or party, except in the manner herein permitted.

SECTION TWELVE~~ELEVEN~~
EFFECT OF DEFAULT

In the event of any default hereunder, as set forth in Section Ten, the rights of Lessor shall be as follows:

1. Lessor shall have the right to re-enter the premises and cancel and terminate this Lease, as well as all of the right, title, and interest of Lessee hereunder, by giving Lessee not less than ten (10) days' notice of the cancellation and termination. On expiration of the time fixed in the notice, this Lease and the right, title and interest of Lessee hereunder, shall terminate in the same manner and with the same force and effect, except as to Lessee's liability, as if the date fixed in the notice of cancellation and termination were the end of the term herein originally determined. Lessor may

also evict Lessee without terminating this Lease. Lessee waives any right to possession of the Demised Premises after eviction. Despite eviction, Lessee remains fully obligated for the payment of Rent through the remainder of the Term. Lessor has no obligation to re- lease the Premises, and Lessor's failure or refusal to re-lease does not affect Lessee's obligation to pay Rent. The remedies provided to Lessor under this Lease are cumulative, regarding both other remedies provided by the Lease and any remedies provided by law. If Lessor commences an action to enforce this Lease, Lessee agrees to pay Lessor's reasonable costs and attorney fees. Lessor and Lessee knowingly and voluntarily waive trial by jury in any action (a) to enforce this Lease: (b) to evict Lessee from the Premises; or (c) that is in any way related to the Lease, the Demised Premises, or the relationship between Lessor and Lessee.

2. Lessor may elect, but shall not be obligated, to make any payment required of Lessee herein or comply with any agreement, term, or condition required hereby to be performed by Lessee, and Lessor shall have the right to enter the Demised Premises for the purpose of correcting or remedying any such default and to remain until the default has been corrected or remedied, but any expenditure for the correction by Lessor shall not be deemed to waive or release the default of Lessee or the right of Lessor to take any action as may be otherwise permissible hereunder in the case of any default.

3. After re-entry, Lessor may relet the premises or any part thereof for any term without terminating the lease, at the rent and on the terms as Lessor may choose. Lessor may make alterations and repairs to the premises. The duties and liabilities of the parties if the premises are relet as provided herein shall be as follows:

    a. In addition to Lessee's liability to Lessor for breach of the Lease, Lessee shall be liable for all expenses of the eviction and reletting including Lessor's costs and reasonable attorney fees, real estate commissions, alterations and repairs made, and for the difference between the rent received by Lessor under the new Lease Agreement and the rent installments that are due for the same period under this Lease.

SECTION ~~TWELVE~~THIRTEEN
DESTRUCTION OF PREMISES

In the event of a partial destruction of the premises during the lease term from any cause, Lessee shall forthwith repair the same, provided the repairs can be made within one hundred twenty (120) days under the laws and regulations of applicable governmental authorities. Any partial destruction shall neither annul nor void this Lease, except that Lessee shall be entitled to a proportionate reduction of rent while the repairs are being made, any proportionate reduction being based on the extent to which the making of repairs shall interfere with the business carried on by Lessee in the premises.

SECTION ~~THIRTEEN~~FOURTEEN
SUBORDINATION

This Lease and all rights of Lessee hereunder shall be subject and subordinate to the lien of any and all mortgages that may now or hereafter affect the Demised Premises, or any part thereof, and to any and all renewals, modifications, or extensions of any such mortgages. Lessee shall, on demand, execute, acknowledge, and deliver to Lessor, without expense to Lessor, any and all instruments that may be necessary or proper to subordinate this Lease and all rights therein to the lien of any such mortgage or mortgages and each renewal, modification, or extension, and if Lessee shall fail at any time to execute, acknowledge, and deliver any such subordination instrument, Lessor In addition to any other remedies available in consequence thereof, may execute, acknowledge, and deliver the same as Lessee's attorney in fact and in Lessee's name. Lessee hereby irrevocably makes, constitutes, and appoints Lessor, its successors and assigns, its attorney in fact for that purpose.

SECTION ~~FOURTEEN~~FIFTEEN
ACCESS TO PREMISES

Lessee shall permit Lessor or Its agents to enter the Demised Premises at all reasonable hours to inspect the premises.

SECTION ~~FIFTEEN~~ SIXTEEN
EASEMENTS, AGREEMENTS, OR ENCUMBRANCES

The parties shall be bound by all existing easements, agreements, and encumbrances of record relating to the Demised Premises, and Lessor shall not be liable to Lessee for any damages resulting from any action taken by a holder of an interest pursuant to the rights of that holder thereunder.

SECTION S~~EVENTEEN~~EVENTEEN~~IXTEEN~~
LESSORS WARRANTIES

The Lessor covenants and warrants that it is the sole and exclusive owner of the real property that is the subject of this Lease Agreement, commonly described as MACKINAC ISLAND COAL DOCK and more particularly described in Exhibit “A” attached hereto. Further, Lessor covenants and warrants that it has full right and authority to enter into this Lease Agreement with the Lessee. Further, Lessor covenants and warrants that no easement, agreement, or encumbrance of record shall prelude, prohibit, or diminish Lessee's ability to use the above-described Demised Premises as a public transportation and freight service facility.

SECTION ~~SEVENTEEN~~EIGHTEEN
QUIET ENJOYMENT

Lessor warrants that Lessee shall be granted peaceful and quiet enjoyment of the Demised Premises free from any eviction or interference by Lessor if Lessee pays the rent and other charges provided herein, and otherwise fully and punctually performs the terms and conditions imposed on Lessee.

SECTION ~~EIGHTEEN~~NINETEEN
LIABILITY OF LESSOR

Lessee shall be in exclusive control and possession of the Demised Premises, and Lessor shall not be liable for any injury or damages to any property or to any person on or about the Demised Premises nor for any injury or damage to any property of Lessee. The provisions herein permitting Lessor to enter and inspect the Demised Premises are to verify that Lessee is in compliance with the terms and conditions hereof. Lessor shall not be liable to Lessee for any entry on the premises for inspection purposes.

SECTION ~~NINETEEN~~TWENTY
REPRESENTATIONS BY LESSOR

At the commencement of the term, Lessee shall accept the buildings and improvements and any equipment in their existing condition and state of repair, and Lessee agrees that no representations, statements, or warranties, express or implied, have been made by or on behalf of Lessor in respect thereto except as contained in the provisions of this Lease, and lessor shall in no event be liable for any latent defects.

SECTION TWENTY-~~-~~ONE
WAIVERS

The failure of Lessor to insist on strict performance of any of the terms and conditions hereof shall not be deemed a waiver of the rights or remedies that Lessor may have regarding that specific instance and shall not be deemed a waiver of any subsequent breach or default in any terms and conditions.

SECTION TWENTY-TWO~~ONE~~
NOTICE

All notices to be given with respect to this Lease shall be in writing. Each notice shall be sent by registered or certified mail, postage prepaid and return receipt requested, to the party to be notified at the addresses set forth herein or at such other address as either party may from time to time designate in writing.

Lessor: CITY OF MACKINAC ISLAND
7358 Market Street
P.O. Box 455
Mackinac Island, Michigan 49757

Lessee: MACKINAC ISLAND TRANSPORTATION AUTHORITY
7358 Market Street
P.O. Box 1936
Mackinac Island, Michigan 49757

Every notice shall be deemed to have been given at the time it shall be deposited in the United States mails in the manner prescribed herein. Nothing contained herein shall be construed to preclude personal service or any notice in the manner prescribed for personal service of a summons or other legal process.

SECTION TWENTY-THREE~~TWO~~
SUCCESSORS AND ASSIGNEE

This Lease shall be binding on the successors and assigns of Lessor and Lessee.

SECTION TWENTY-FOUR~~THREE~~
LESSEE'S RIGHT OF FIRST REFUSAL

During the term of this Lease Agreement and assuming said rights have not been extinguished due to a default by Lessee and in the event Lessor should desire to sell the Demised Premises, and receives a bona fide offer for said premises, Lessor hereby grants to Lessee the right to purchase the Demised Premises upon the same terms and conditions as the bona fide offer. Lessor shall submit the bona fide offer to Lessee in writing, and Lessee shall have THIRTY (30) days in which to accept in writing said terms and conditions as set forth in the bona fide offer and to purchase the property pursuant to said terms. In the event Lessee does not exercise its rights to purchase the premises within the THIRTY (30)-day period, Lessor may sell in accordance with the bona fide offer received from the third party. An Affidavit of Right of First Refusal, in a form acceptable to all parties, shall be executed by the parties hereto and recorded with the Mackinac County Register of Deeds upon execution of this Lease.

SECTION TWENTY-FIVE~~FOUR~~
SURRENDER OF POSSESSION

Lessee shall, on the last day of the term, or on earlier termination and forfeiture of the Lease, peacefully and quietly surrender and deliver the Demised Premises to Lessor free of subtenancies, including all buildings, additions, and improvements constructed or placed thereon by Lessee, except movable trade fixtures, all in good condition and repaid. Lessee shall return the Demised Premises in a condition like when originally leased, except for normal wear and tear to the premises. Any trade fixtures or personal property not used in connection with the operation of the Demised Premises and belonging to Lessee, if not removed at the termination or default, and if Lessor

shall so elect, shall be deemed abandoned and become the property of Lessor without any payment or offset therefore. Lessor may remove such fixtures or property from the Demised Premises and store them at the risk and expense of Lessee if Lessor shall so elect. Lessee shall repair and restore all damage to the Demised Premises caused by the removal of equipment. trade fixtures, and personal property.

SECTION TWENTY-SIX~~FIVE~~
REMEDIES OF LESSOR

1. In the event of a breach or a threatened breach by Lessee of any of the terms or conditions hereof, Lessor shall have the right of injunction to restrain Lessee and the right to invoke any remedy allowed by law or in equity, as if the specific remedies of indemnity or reimbursement were not provided herein.

2. The rights and remedies given to Lessor in this Lease are distinct, separate and cumulative, and no one of them, whether or not exercised by Lessor, shall be deemed to be in exclusion of any of the others herein, by law, or by equity provided.

3. In all cases hereunder, and in any suit, action, or proceeding of any kind between the parties, it shall be presumptive evidence of the fact of the existence of a charge being due if Lessor shall produce a bill, notice or certificate of any public official entitled to give that notice to the effect that such charge appears of record on the books in his office and has not been paid.

SECTION TWENTY-SEVEN~~SIX~~
TOTAL AGREEMENT: APPLICABLE TO SUCCESSORS

This Lease contains the entire agreement between the parties and cannot be changed or terminated except by a written instrument subsequently executed by the parties hereto. This Lease and the terms and conditions hereof apply to and are binding on the heirs, legal representatives, successors, and assigns of both parties.

SECTION TWENTY-EIGHT~~SEVEN~~
TIME OF THE ESSENCE

Time is of the essence in all provisions of this Lease.

SECTION TWENTY-NINE~~EIGHT~~
APPLICABLE LAW

This Lease Agreement shall be governed by and construed in accordance with the laws of the State of Michigan.

SECTION THIRTY~~TWENTY-NINE~~
ENVIRONMENTAL CLAUSE

1. Lessee shall not cause or permit any Hazardous Material to be brought upon, kept or used in or about the leased premises by Lessee, its agents, employees, contractors or invitees without the prior written consent of Lessor, which Lessor shall not unreasonably withhold as long as Lessee demonstrates to Lessor's reasonable satisfaction that such Hazardous Material is necessary or useful to Lessee's business and will be used, stored and disposed of in a manner that complies with all laws regulating any such Hazardous Material so brought upon or used or kept in or about the Demised Premises. If Lessee breaches the obligations stated in the preceding sentence, or if the presence of Hazardous Material on the leased premises caused or permitted by Lessee results in contamination of the leased premises, or if contamination of the leased premises by Hazardous Material otherwise occurs for which Lessee is legally liable to Lessor for damage resulting therefrom, then Lessee shall indemnify, defend and hold Lessor harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses (including, without limitation, diminution in value of the Demised Premises, damages for the loss or restriction on use of rentable or usable space or any amenity of the Demined Premises, damages arising from any adverse impact on marketing of space, sums paid in settlement of claims, attorneys' fees, consultant fees and expert fees) which arise during or after the lease term as a result of such contamination. This indemnification of Lessor by Lessee includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision because of Hazardous Material present In the soil or ground water on or under the leased premises. Without limiting the foregoing, if the presence of any Hazardous Material on the leased premises caused or permitted by Lessee result in any contamination of the leased premises, Lessee shall promptly take all actions at its sole expense as are necessary to return the leased premises to the condition existing prior to the introduction of any such Hazardous Material to the leased premises; provided that Lessor's approval shall not be unreasonably withheld so long as such actions would not potentially have any material adverse long-term or short-term effect on the leased premises. The foregoing indemnity shall survive the expiration or earlier termination of this Lease.

2. As used herein, the term "Hazardous Material" means any hazardous or toxic substance, material or waste, including, but not limited to, those substances, materials and wastes listed in the United States Department of Transportation Hazardous Materials Table (49 CFR 172.101) or by the Environmental Protection Agency as hazardous substances (40 CFR Part 302) and amendments thereto, or such substances, materials and wastes that are or become regulated under any applicable local, state or federal law.

3. Disclosure. At the commencement of this Lease, and on January 1 of each year thereafter, including January 1 of the year after the termination of this lease, Lessee shall disclose to Lessor the names and amounts of all Hazardous Materials, or any combination thereof, which were stored, used or disposed of on the leased premises, or which Lessee intends to store, use or dispose of on the leased premises.

4. Inspection. Lessor and Its Agents shall have the right, but not the duty, to inspect the leased premises at any time to determine whether Lessee is complying with the terms of this Lease. If Lessee Is not in compliance with this Lease, Lessor shall have the right to immediately enter upon the leased premises to remedy any contamination caused by Lessee's failure to comply notwithstanding any other provision of this Lease. Lessor shall use its best efforts to minimize interference with Lessee's business but shall not be liable for any interference caused thereby.

5. Default. Any default under this Paragraph shall be material default enabling Lessor to exercise any of the remedies set forth in this Lease.

SECTION THIRTY-ONE
CONFORMING TO GOVERNMENTAL RULES AND REGULATIONS

Lessee, at Lessee's expense, shall comply with all laws, rules, orders, ordinances, directions, regulations and requirements of federal, state, county and municipal authorities pertaining to Lessee's use of the leased premises and with the recorded covenants, conditions and restrictions, regardless of when they come effective, including, without limitation, all applicable federal, state and local laws, regulations or ordinances pertaining to air and water quality, Hazardous Materials (as hereinafter defined), waste disposal, air emissions and other environmental matters, all zoning and other land use matters, and utility availability, and with any direction of any public officer or officers, pursuant to law, which shall impose any duty upon Lessor or Lessee with respect to the use or occupation of the leased premises.

IN WITNESS WHEREOF, the parties have executed this Lease to take effect the day and year first above written.

WITNESS:	**LESSOR:** **CITY OF MACKINAC ISLAND**
_____	_____
	BY:
_____	**ITS:**

LESSEE:
MACKINAC ISLAND TRANSPORTATION AUTHORITY

_____ _____

BY:
ITS:

_____