

**LEASE AGREEMENT
(Ticket Office)**

This agreement made and entered into this ____ day of August, 2025 and retroactively effective as of the 1st day of April, 2025 (hereafter the Effective Date) by and between the City of Mackinac Island, Michigan, a municipal corporation, formed and existing by virtue of L.A. 437 of 1899, herein referred to as “City” and Mackinac Island Carriage Tours, Inc., a Michigan Corporation, herein referred to as “MICT”.

Witnesseth:

Whereas, the City is the owner of the “Ticket Office” building, located at 7278 Main Street, Lot 120, Assessor’s Plat No. 3, City of Mackinac Island, Mackinac County, Michigan; and

Whereas, the parties have in the past had a lease agreement whereby the City has leased to MICT a portion of said Lot 120 for a good and valuable consideration; and

Whereas, the parties hereto wish to enter into a formal written lease agreement upon the terms and conditions set forth herein;

Now, therefore, it is agreed:

1. The City hereby leases to MICT that real estate and building together with improvements, described as:

The Southerly ninety (90) feet of Westerly fifteen (15) feet of Lot 120, Assessor’s Plat No. 3, City of Mackinac Island, Mackinac County, Michigan.

2. The term of the agreement for the above premises commences on April 1, 2025 and terminates on March 31, 2030 (five years).

3. MICT’s right of possession to that area of the demised premises utilized as a waiting area is not exclusive; the public at large also having a right to make beneficial use of the same.

4. In consideration for this agreement, MICT shall initially pay to the City annual rent in the amount of Twelve Thousand, Six Hundred, Ninety-Three and 02/100 dollars (\$12,693.02) due and payable on or before the first day of July 2025; with all annual rent due on the first day of July of each and every year during the term of this agreement.

On the first anniversary of the Effective Date and on each and every anniversary of the Effective Date thereafter, the annual rent set forth in this paragraph shall be increased by an amount equal to three (3%) percent of the annual rent in effect for the immediately preceding lease year.

5. During the term of this agreement, MICT shall have exclusive use of the “Ticket Office” and non-exclusive use of the waiting area adjacent to the “Ticket Office”.

6. All buildings and improvements on the demised premises are the sole property of the City.

7. MICT shall not make any additions, improvements or modifications to the premises without the written consent of the City. MICT shall not install any signs on the demised premises contrary to local ordinance and without the written consent of the City.
8. MICT, at its expense, shall maintain the "Ticket Office" and the waiting area adjacent to it in a state of good repair and order. MICT shall also, at its expense, maintain the grounds about the "Ticket Office".
9. The demised premises maybe used as a ticket office and waiting area, and for no other purpose without the written consent of the City. MICT shall not make any use of the demised premises in violation of local, state or federal law.
10. MICT has no right to assign this lease or enter into any sublease of the demised premises. MICT has no right to mortgage or hypothecate this lease, sublet, or license the demised premises or any portion thereof. No operation of law, including merger or consolidation, shall be effective to create an assignment or transfer without the written consent of the City.
11. MICT shall pay, at its expense, for all utilities for the "Ticket Office", including the cost of water, sewer, electrical, telephone, all communication services, janitorial services and garbage disposal.
12. The MICT shall pay, prior to the imposition of penalty or interest, special assessments, and other governmental charges of any kind which become due during the term of this lease which are levied against the demised premises. MICT shall be responsible for the payment of any and all real property taxes when due during the term of this agreement.
13. Except for damage by fire and other unavoidable casualty and reasonable use and wear, MICT shall keep the demised premises in as good order, repair and condition as at the commencement of this agreement, or may be put thereafter; and at the termination of this agreement, MICT shall surrender the demised premises and all additions thereto and permanent installations therein in good order, repair and condition. MICT shall not injure, overload, deface or commit waste to the demised premises or any part of Lot 120.
14. MICT shall defend, indemnify and hold City harmless from all claims, demands, actions, losses, damages and liabilities, and all fees, costs and expenses (including reasonable attorney fees) relating to or in any way arising out of MICT's use of the premises.
15. MICT shall, at is sole cost and expense, procure and maintain in full force and effect during the term of this agreement, general liability insurance providing coverage for claims of personal injury, death or damage occurring in, about, or as a result of the use of said premises. The responsible insurance company and the coverage limits shall be approved by the City, insuring the City and MICT, as their interest may appear, against all claims, demands or actions in an amount not less than \$1,000,000.00. Proof of such insurance shall be presented to the City each year during the term of this agreement.
16. MICT shall, at its own expense, procure and maintain in full force and effect "all risk" casualty insurance coverage by a responsible company with coverage limits approved by the City in amounts sufficient to protect the interests of the City and MICT. The City and MICT, as their interest may appear, shall both be named insureds.

17. City shall procure and maintain in full force and effect casualty and property insurance coverage on the demised premises.

18. Each party, for itself and its successors and assigns (including any person, firm or corporation which may become subrogated to any of its rights) waives, any and all rights and claims for recovery against the other party, and its officers, employees, agents or assigns, on account of any injury, loss or damage to property for which insurance is required by this agreement. Each insurance policy carried by either party and insuring any portion of the demised premises shall provide that the insurance company waives all rights of recovery by way of subrogation against the other party.

19. MICT shall keep the demised premises free of any liens arising out of any work performed thereof, materials furnished thereto, or obligations incurred by MICT.

20. All rights and remedies of the City as Landlord set forth in this lease are in addition to any rights and remedies allowed by law and equity. In addition, the City shall have the following rights:

A. If any voluntary or involuntary petitions or pleading under any act of Congress relating to bankruptcy shall be filed by or against MICT or any proceedings in any court or tribunal shall be instituted by or against MICT to declare it insolvent or unable to pay its debts, then the City may, at its option, with or without notice of such operation, forthwith terminate this lease, and be entitled to recover damages in an amount equal to the then present value of rent reserved in this lease for the entire remainder of the stated term hereof, less the fair rental value of the premises for the remainder of the stated term hereof.

B. If MICT is in default in the payment of rent for thirty (30) days, or is in default for the prompt or full performance of any other provision of this lease, after thirty (30) days written notice sent to MICT by the City, or if the leasehold interest of MICT shall be levied under execution or be attached, or if MICT make an assignment for the benefit of creditors, or if a receiver is appointment for MICT, or if MICT shall abandon the demised premises, then in any such event, the City may, if the City so elects, without or without notice of election except as herein provided, forthwith terminate this agreement and MICT's right to possession of the demised premises; provided, however, if the City has notified MICT to cure defaults with thirty (30) days' notice as herein provided and the curing of such default cannot be effectuated within said period and MICT is proceeding without delay beyond its control to cure said defaults, then the City shall not exercise the right otherwise contained in this paragraph.

IN WITNESS WHEREOF, the undersigned have executed this agreement as of the day and year first above written.

Mackinac Island Carriage Tours, Inc.
A Michigan Corporation

City of Mackinac Island
A Michigan Municipal Corporation

By: _____

By: _____

Its: _____

Its: _____

By: _____

By: _____

Its: _____

Its: _____