APPENDIX E: RIGHT, TITLE & INTEREST

FIFTH AMENDMENT TO LEASE AGREEMENT
BY AND BETWEEN THE CITY OF PORTLAND
AND
CASCO BAY ISLAND TRANSIT DISTRICT

This Amendment to Lease is made this 12th day of August, 2013, by and between the CITY OF PORTLAND (hereinafter "CITY") and CASCO BAY ISLAND TRANSIT DISTRICT (hereinafter "TENANT").

W I T N E S S E T H:

WHEREAS, CITY and TENANT entered into an Agreement dated March 5, 1985 for the lease of property at the Maine State Pier for the purpose of the operation of a Ferry Terminal; and

WHEREAS, said Agreement has been amended on four prior occasions (as so amended, hereinafter the "Lease"); and

WHEREAS, the parties desire to amend the Lease to add berthing space needed for a larger ferry soon to be put into service.

NOW, THEREFORE, the parties agree to amend Lease as follows:

1. The "Leased Premises" as defined in Article 2 of shall include the additional 25 foot area for berthing only, alongside CITY's pier, which is shown on Exhibit A and Exhibit B, both attached hereto, hereby made a part hereof; this change shall be effective on October 1, 2013.

2. Surviving terms. Any and all terms of Lease and its subsequent four (4) amendments not herein amended remain in full force and effect.

WITNESS

Sonia Bear

CITY OF PORTLAND

By: Mark H. Rees
Mark H. Rees
Its City Manager

APPROVED AS TO FORM:
CORPORATION COUNSEL'S OFFICE

WITNESS

CASCO BAY ISLAND TRANSIT DISTRICT

By: _____

HENRY BERG

Print or type name

Its: GENERAL MANAGER

Finance Director
City of Portland, Maine

O:\OFFICE\CONTRACT\LEASE\CBITD 5 amd.doc

EXHIBIT A

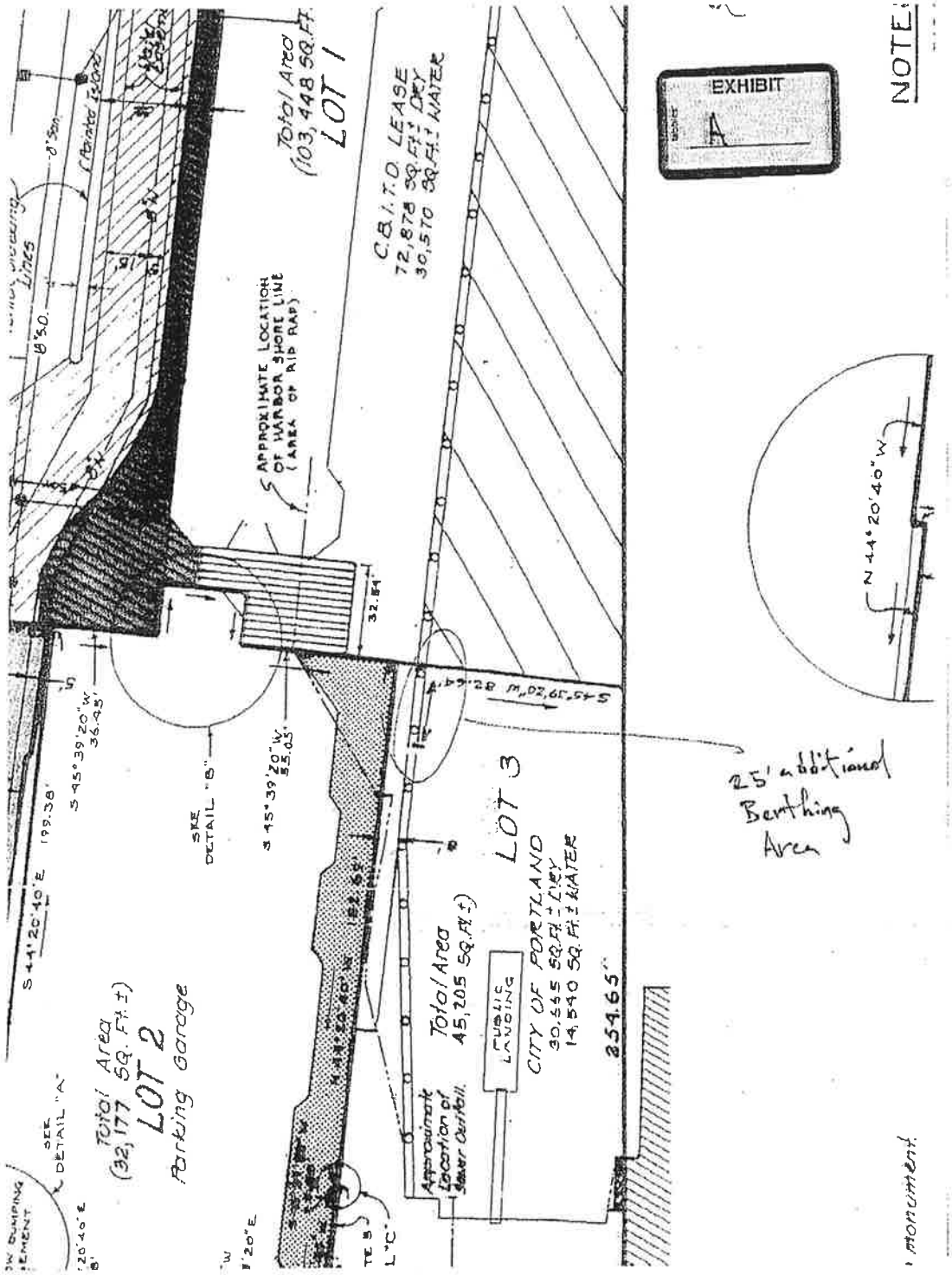
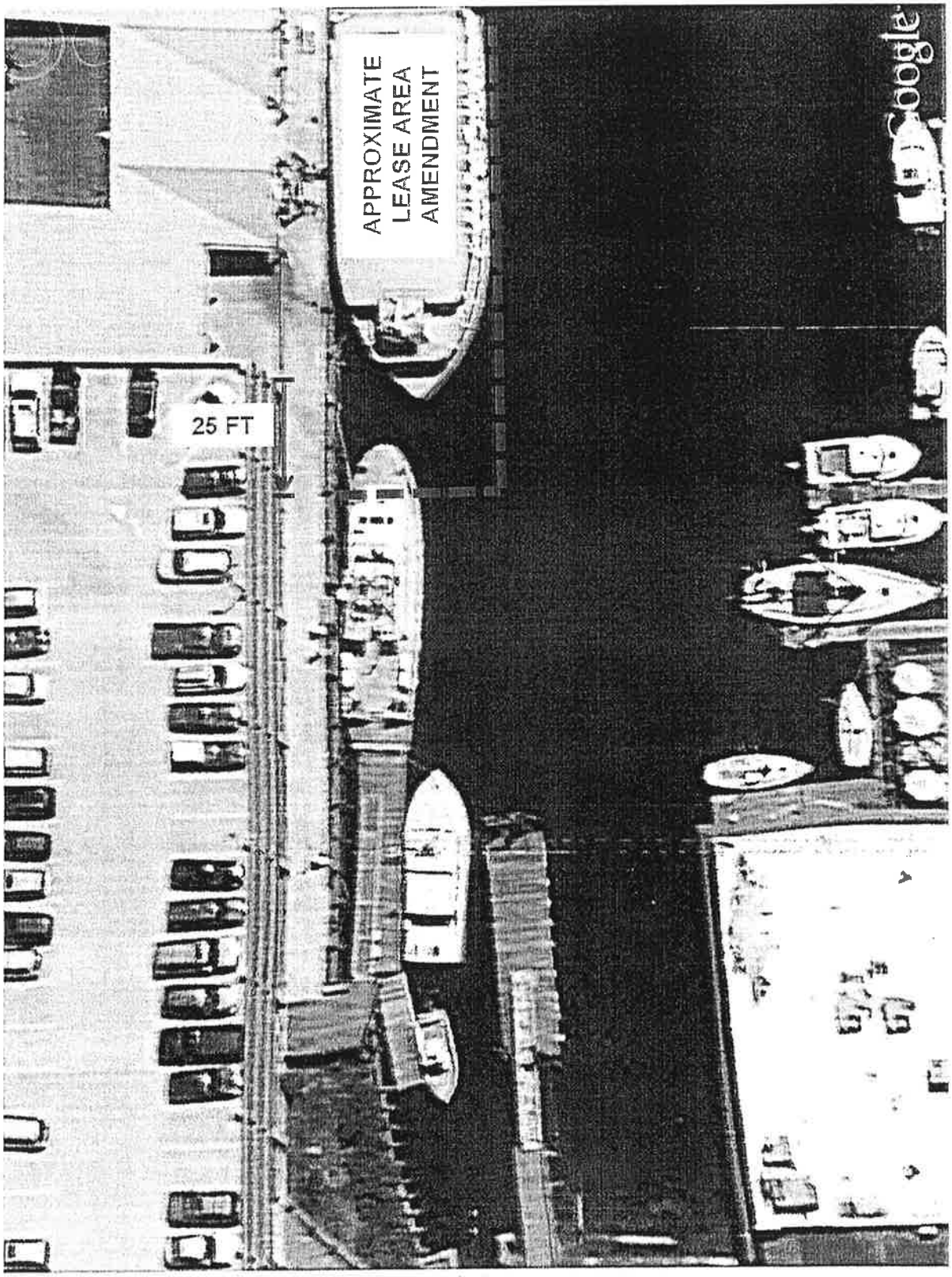


EXHIBIT
A
NOTE:
Total Area
(103,448 SQ.FT.)
LOT 1
C.B.I.T.O. LEASE
72,878 SQ.FT. DRY
30,570 SQ.FT. WATER
APPROXIMATE LOCATION OF HARBOR SHORE LINE (AREA OF RIP RAP)
32.84'
S 45°39'20"W 82.64'
25' additional Berthing Area
N 44°20'40"W
S 45°39'20" W 35.03'
S 45°39'20" W 36.45'
SEE DETAIL "B"
S 44°20'40"E 199.38'
LOT 3
CITY OF PORTLAND
30,555 SQ.FT. DRY
14,540 SQ.FT. WATER
Total Area
45,205 SQ.FT.±
PUBLIC LANDING
254.65'
Approximate Location of Sewer Outfall
Total Area
(32,177 SQ.FT.±)
LOT 2
Parking Garage
SEE DETAIL "A"
SEE DETAIL "C"
Harbor Board
Lines
8'S.O.
monument

EXHIBIT B



~~Hanging file~~
~~CBI lease~~

LEASE AGREEMENT

BY AND BETWEEN

CITY OF PORTLAND

AND

CASCO BAY ISLAND TRANSIT DISTRICT

CASCO BAY ISLAND TRANSIT DISTRICT

LEASE AGREEMENT

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APPENDIX A: MAP OF PREMISES
APPENDIX B: FEDERAL RULES AND REGULATIONS

LEASE AGREEMENT

BY AND BETWEEN

CITY OF PORTLAND

AND

CASCO BAY ISLAND TRANSIT DISTRICT

AGREEMENT made this 5 day of March, 1985, by and between the CITY OF PORTLAND, a body politic and corporate located in the County of Cumberland, State of Maine (hereinafter the "CITY") and CASCO BAY ISLAND TRANSIT DISTRICT, a body politic and corporate duly organized under the laws of the State of Maine and located in the City of Portland (hereinafter the "TENANT").

WHEREAS, the CITY has received federal and state funds to build a new Casco Bay Ferry Terminal and parking garage on the west side of the Maine State Pier (hereinafter the "Project") and

WHEREAS, the TENANT requires new terminal facilities and has worked with the CITY in obtaining said funding, and

WHEREAS, the CITY and TENANT desire to enter into a lease agreement for the new terminal facility and facilities related thereto;

NOW THEREFORE, in consideration of the mutual promises herein, CITY and TENANT do hereby agree as follows:

ARTICLE 1. CONSTRUCTION OF PREMISES; PARKING GARAGE

Pursuant to the Agreement dated September 24, 1984, between CITY and Stevens, Rose & Morton, which is on file in the CITY'S Finance Department, CITY agrees to design and construct the following on the west side of the Maine State Pier (all of which shall be hereinafter known as the "PREMISES"):

A. A Ferry Terminal Building, including a freight area;

B. Pedestrian waiting area and walkway;

C. Vehicle staging area;

D. Passenger and vehicle loading and unloading and short-term parking area;

E. Vehicle Transfer Bridge.

F. Four vessel berthing spaces and ramps on the west side of the Pier; and

G. A boat utility area.

CITY'S obligation hereunder shall be to design and construct the Premises to the extent of the decisions and directions of the Casco Bay Island Ferry Terminal Construction Committee, on which TENANT participates. Said design and construction and CITY'S obligation to proceed therewith is contingent upon the continued availability of adequate federal and state funds for such design and construction.

CITY shall proceed diligently with said design and construction with the intent that TENANT will be able to occupy the Ferry Terminal Building during calendar year 1986, but CITY shall not be liable for any delay in occupancy beyond said date.

TENANT agrees to participate and assist CITY throughout design and construction of the Project and of the Ferry Terminal in particular. TENANT agrees to maintain membership on the Casco Bay Island Ferry Terminal Construction Committee and to appear before said Committee as requested. TENANT shall be responsible for bringing its operational needs to the attention of the ARCHITECT and the CITY in a timely fashion throughout design and construction and a good faith reasonable effort shall be made to serve those needs.

TENANT shall be responsible for carrying out, at its expense, all improvements to the Premises in excess of those included in the Project and approved by the above Construction Committee, including but not limited to furnishing the Ferry Terminal Building. In the event TENANT wishes to make any additions or improvements, other than repair and maintenance, to the exterior of the Premises, or permanent interior improvements or additions, during the term of this Agreement, said additions or improvements shall be subject to the prior written approval of the City Manager, which approval shall not be unreasonably withheld.

In addition to the Premises, CITY intends to construct a parking garage with a minimum of One Hundred Ninety (190) parking spaces as part of the overall Project. Said garage shall be adjacent to, but not a part of, the Premises leased to TENANT hereunder. Construction of said garage shall be contingent upon the continued availability of adequate federal and state funds to permit such construction. If said garage is constructed, TENANT shall have no rights therein but CITY shall, to the extent feasible, coordinate the hours of operation of the parking garage with the hours of operation of TENANT'S transportation services in Casco Bay. Nothing herein shall prevent CITY and TENANT from entering into a separate agreement for management and/or leasing of the parking garage, however, should they mutually agree to do so.

ARTICLE 2. GRANTING OF LEASEHOLD; PREMISES.

CITY hereby agrees to lease to TENANT and TENANT does hereby agree to lease of and from CITY the Premises above-described upon the terms and conditions specified herein. Said Premises shall be bounded approximately as indicated on Appendix A which is attached hereto and by this reference incorporated herein. The exact boundaries and placement of the Premises shall be finally established and determined by the final design of the Project. An exhibit reflecting those boundaries and locations shall be then attached to this Agreement in a form mutually acceptable to CITY and TENANT.

Except as provided below for a public right-of-way, TENANT shall have the exclusive use of the Premises for the purposes provided herein. TENANT may control and restrict the public use of the Premises as it deems necessary in carrying out its operations under this Agreement.

Notwithstanding the foregoing, TENANT shall permit and maintain public rights of way for pedestrian and/or vehicular traffic over the Premises in order to permit the public with safe access to the outer end of the Maine State Pier. The locations and types of said public rights of way shall be subject to final design of the Project and shall be located in such a way as not to interfere with TENANT'S operations hereunder. TENANT agrees to execute any documents necessary to identify and effectuate said right of way.

CITY intends to design the Ferry Terminal Building to permit the addition of a second story and CITY reserves the right to make such addition during the term of this Agreement. The design and construction of any such addition shall take the needs of the TENANT into account and CITY shall consult with TENANT a reasonable time prior to said design and construction. CITY reserves the right to use or to sublet any such addition, and said addition shall not be part of the Premises leased hereunder unless made so by later amendment. Any construction or use of a second story addition, either by the CITY or a lessee thereof, shall not interfere with or restrict TENANT in its uses of the Premises permitted hereunder.

ARTICLE 3. TERM.

This Agreement shall be effective immediately upon execution hereof by CITY and TENANT. TENANT'S right to occupy the Premises shall begin as of the first day of the first full month following the date of notice of beneficial occupancy to TENANT and this Agreement and TENANT'S interest hereunder shall be terminated on the last day of the month thirty (30) years following the date of the notice of beneficial occupancy.

CITY shall send TENANT the notice of beneficial occupancy provided hereunder after receipt thereof from the Casco Bay Island Ferry Terminal Construction Committee via CITY'S Architect and/or

Construction Manager on the Project. Said notice and occupancy by TENANT shall not diminish CITY'S obligations to finish any punch list of items remaining to be done as of the date of said notice.

ARTICLE 4. USE OF PREMISES

A. TENANT shall have the right to use the Premises solely for activities which it is legally authorized to undertake in providing public water transportation services between and among the islands of Casco Bay and the mainland.

Notwithstanding the foregoing, the principal use of the Premises under this Agreement shall be provision of public waterborne passenger, vehicle, freight and mail transportation to, from and between said Casco Bay Islands, and related waterborne activities including tours and cruises, charters and catering.

In addition, TENANT may perform routine maintenance and repair of its vessels at the Premises, so long as such repair does not result in excessive noise or disruption to the public, to other users of the Maine State Pier or to other water activities, and so long as such activities meet all federal, state and local pollution, safety and other applicable standards. If the CITY determines that boat repair activities are in violation of this paragraph, CITY shall give TENANT notice of said violation and TENANT shall immediately come into conformity under this subsection or shall cease its offending repair activities. CITY'S determinations as to a violation under this paragraph shall be final but shall not be arbitrary or capricious.

B. All services provided by TENANT on or from the Premises shall be available to the public on a non-discriminatory and equal basis and shall be accessible as required to the handicapped.

C. In addition to the foregoing uses, TENANT may install vending machines for candy, gum, cigarettes, snacks, drinks and other similar vendable items and/or a souvenir concession stand for the sale of souvenirs related specifically to the Casco Bay Islands. Said souvenirs may include postcards, maps, key chains, tee-shirts, ash trays, mugs and other similar souvenir items and identified in some manner with the Casco Bay Islands and/or the Casco Bay Island Transit District. Said concession activities shall be incidental only to TENANT'S primary use of the Premises for mass transportation services.

D. All uses of the Premises other than as provided herein shall be subject to the prior written approval of the CITY'S Director of Transportation and Waterfront Facilities (hereinafter the "Director") or successor thereto.

ARTICLE 5. NET LEASE

It is the intention of the parties that all amounts payable hereunder shall be net to the CITY so that this Agreement shall yield to CITY the net annual payment specified herein during each year of the Term, and that all costs, expenses, and obligations of every kind and nature whatsoever relating to the Premises shall be paid by TENANT, except as specifically provided herein.

ARTICLE 6. RENT

A. TENANT covenants and agrees to pay to CITY for its use of the Premises, without offset or deduction except as provided herein, an annual rent equal to Five Percent (5%) of all of TENANT'S gross revenues from the following:

i) Tours and cruises; and

ii) Charter operations.

B. The above rent shall be subject to a minimum annual rent which shall be credited against the total amount of rent due to CITY under Section A above. The minimum rent shall be as follows:

TENANT FISCAL YEAR (October 1 - September 31)	MINIMUM
10/1/1985-9/30/1986) 10/1/1986-9/30/1987) 10/1/1987-9/30/1988) 10/1/1988-9/30/1989)	$ 6,000 per year
10/1/1989-9/30/1990) 10/1/1990-9/30/1991) 10/1/1991-9/30/1992)	$ 8,000 per year
10/1/1992-9/30/1993) 10/1/1993-9/30/1994) 10/1/1944-9/30/1995)	$10,000 per year

Said minimum rent shall be paid in equal monthly installments in advance and the first payment shall be due to CITY on the first day of the month immediately following the month of the notice of beneficial occupancy.

C. No later than November 15th of each year, or part thereof in the first year, TENANT shall pay to CITY an amount equal to 5% of its gross revenues as provided in Section A above for the prior full year from October 1 to September 30th, or part thereof if applicable in the first year. CITY shall credit against the amount so due any rental amount already paid for the applicable year pursuant to Section B above.

All amounts due as a percentage of gross revenues shall be subject to a final audit determination. In the event of any overpayment, CITY shall repay TENANT the amount so overpaid within sixty (60) days of said final audit determination and in the event of an underpayment, TENANT shall pay CITY any amount unpaid within sixty (60) days of said final audit determination.

D. A late charge of One and One-Half (1-1/2%) per month shall be charged and applied to any amount not paid when due. Collection costs, legal fees, and administration costs associated with collection of late payments shall also be charged to the party who has made the late payment, who shall pay such costs within ten (10) days of receipt of a bill therefor.

E. No later than August 1, 1995, CITY and TENANT agree to meet to reopen and to bargain in good faith on the issue of Rent, including both the percentage and source of gross revenues to be included therein and the minimum rental payment. Said minimum rental payment shall be adjusted by no less than annual rate of inflation for the twelve (12) months immediately preceding September 1, 1995. Said annual rate of inflation shall be the overall percentage change in the United States Bureau of Labor Statistics Consumer Price Index for all Urban Consumers, Boston, Massachusetts (all items = 100) (hereinafter "CPI - Boston") from August 1994 to August 1995. In the event the United States Bureau of Labor Statistics discontinues the issuance of said Consumer Price Index, the parties shall choose another broad-based cost of living index which is substantially equivalent to the discontinued index and which is then issued by the United States or the State of Maine.

If the parties have not agreed to a new rental payment prior to October 1, 1995, the existing rent shall remain in effect, adjusted for inflation as provided above, and payments shall continue to be due and payable as provided herein, and good faith negotiations shall continue at the request of either party.

F. In no event shall the annual rental due hereunder be less than the minimum rental.

ARTICLE 7. UTILITIES; ASSESSMENTS

A. As of the first day of the month following the month of the notice of beneficial occupancy to TENANT from CITY, TENANT shall be responsible for all electric, water, sewer, gas, heat, or any other utility charge, fee, or assessment whatsoever, including any late fees, interest or penalties, and for any assessment, tax, or other charge, which TENANT is, or may be, subject to under State law, related to TENANT'S interest in, use of, and activities on the Premises.

CITY shall bring all utilities to the Premises and into the Ferry Terminal Building as part of its construction of the Premises,

but TENANT will be responsible for all charges related to hooking up to said utilities, for example, telephone hook-up charges.

TENANT shall have the right to enter into reasonable agreements with utility companies, municipal corporations, and other government agencies creating easements in favor of such companies as are required in order to service the Premises and CITY covenants and agrees to join therein, if legally required or to consent thereto, and to execute any and all documents, agreements, and instruments and to take all other actions in order to effectuate the same, all at TENANT'S cost and expense.

B. If any taxes are assessed or levied upon TENANT, they shall be paid directly to the taxing authority. TENANT shall be deemed to have complied with the covenants of this Article if payment of such taxes shall have been made either within any period allowed by law, or by the governmental authority imposing the same, during which payment is permitted without penalty or interest or before the same shall become a lien upon the Premises, and TENANT shall produce and exhibit to CITY satisfactory evidence of such payment.

The TENANT shall have the right to contest or have reviewed all of such taxes by legal proceedings, or in such other manner as it may deem suitable (which, if instituted, TENANT shall conduct promptly at its own cost and expense and at no expense to CITY, and if required by law, in the name of and with the cooperation of the CITY, and CITY shall execute all documents reasonably necessary to accomplish the foregoing.) Notwithstanding the foregoing, TENANT shall promptly pay all such taxes if at any time the Premises, improvements thereon, or any part of them, shall be imminently subject to forfeiture or if CITY shall be subject to any criminal or civil liability arising out of the non-payment thereof.

ARTICLE 8. REPAIRS AND MAINTENANCE.

A. TENANT shall, after the date of beneficial occupancy of the Premises, at its sole cost and expense, except as herein provided, keep the Premises in as good order and repair as on the completion of construction, reasonable wear and tear excepted. TENANT shall be responsible for all costs and expenses associated with its operation and maintenance of all of the Premises, including but not limited to custodial services, security services, minor and major repairs and replacement, (unless said repairs or replacements are covered by the new construction warranties to CITY), plowing, shovelling, sanding, salting, and clearing the Premises, except as otherwise provided in Section B below.

B. Notwithstanding the foregoing, CITY agrees to provide snow plowing, sanding, salting and clearing of all of the access road and traffic turn-around and the vehicle staging area, all approximately as indicated on Appendix A, and the pedestrian walkway along the west side of the Pier from Commercial Street to the Premises. TENANT agrees to pay CITY for said snow services an annual fee of Twelve

Hundred Dollars ($1200.00) beginning October 1, 1986, and adjusted annually for inflation by the percentage change in the CPI-Boston in the same manner as provided in Article 6, Section E above, said annual adjustment not to exceed Five Percent (5%) per year.

C. The CITY by its authorized officers, employees, agents, contractors, sub-contractors and other representatives shall have the right (at such times as may be reasonable under the circumstances and with as little interruption of TENANT'S operations as is reasonably practicable) to enter upon and in the Premises without charge for the following purposes:

1) Inspection. To inspect the Premises to determine whether TENANT has complied and is complying with the terms and conditions of this Agreement.

2) Maintenance. To perform maintenance and make repairs in any case where TENANT has failed to carry out its obligation to do so, but only after the CITY has given TENANT reasonable notice under the circumstances to perform its maintenance obligation. In that event, TENANT shall promptly upon demand reimburse the CITY for the reasonable cost of the CITY'S performing TENANT'S maintenance or repair obligation as Additional Rental.

ARTICLE 9. MAINTENANCE FUND.

A. In order to assist TENANT with expenses associated with major repair and maintenance of the Premises, CITY agrees to establish a Maintenance Fund (hereinafter the "Fund") as provided herein. Said Fund shall be established by the CITY'S Finance Director in a manner he deems to be in accord with generally accepted accounting principles, except to the extent that said principles may be modified by Urban Mass Transportation Administration (hereinafter "UMTA") requirements. Said Fund will consist of Fifty Percent (50%) of the annual net revenues, less the City's annual cost of all casualty insurance purchased by the City covering the Premises and improvements thereon, up to a maximum amount of One Hundred Fifty Thousand Dollars ($150,000), received by the CITY from the One Hundred and Ninety (190) parking spaces funded by UMTA in the parking garage adjacent to the Ferry Terminal, as described in Article 1. "Net revenues" means gross revenues minus operating costs as defined by the CITY'S Finance Director using generally accepted accounting principles, except as modified by UMTA requirements. TENANT, upon reasonable notice to CITY'S Finance Director and during regular business hours, may review and copy, at its own cost and expense, CITY'S records on the Fund.

B. Use of Fund. The Fund will be available to TENANT to cover the cost, in whole or in part, of any major repairs or maintenance of or on the Premises. Prior to requesting assistance from the Fund, however, TENANT will make a good faith, diligent effort to obtain any State or federal funds available for capital or similar assistance. CITY will cooperate with and assist TENANT in that

effort. If, after reasonable effort, such external funds are not available to TENANT, CITY will disburse funds to TENANT for said major repairs and maintenance under procedures to be established by the CITY'S Finance Director. If said funds are not adequate, then TENANT may request assistance of the City Council of the CITY, but nothing herein shall obligate said City Council to provide assistance to TENANT.

Amounts in the Fund may also be used as matching funds for federal or State capital assistance grants, and may be available to TENANT for short-term loans, on terms and interest rates acceptable to the CITY, provided that CITY shall not unreasonably withhold its approval thereof.

C. Eligible Expenditures. The Maintenance Fund will be available for use by TENANT for major capital costs related to its public transportation operations on or from the Premises, with first priority for capital costs for repair and maintenance of the Premises themselves. Such eligible costs may include, but are not limited to, the following:

1) Replacement of capital equipment;

2) Replacement of motor vehicles used regularly in TENANT'S operations;

3) Major rehabilitation of the Ferry Terminal or Vehicle Transfer Bridge;

4) Major resurfacing or rehabilitation of the paved surfaces and the covered walkway within the Premises;

5) Major pier repairs;

6) Energy retrofitting; and

7) Other major repairs and maintenance of a similar kind.

The following are examples of expense which are not eligible for funding from the Maintenance Fund and are part of TENANT'S operating expenses: Spot roof repairs, touchup painting, minor redecking and pavement patching, spot repairs and/or replacement of fixtures, custodial, security or other services, plowing, sanding, or salting of the Premises. Said examples are illustrative only and are not intended to be an exhaustive listing.

D. Excess Fund. In addition to the foregoing, upon repayment to the CITY of all of its debt service costs associated with acquisition of the west side of the Maine State Pier, CITY shall set aside One Hundred Percent (100%) of the net revenues from all of the UMTA funded parking spaces (i.e., 190 garage parking spaces), and the TENANT'S rental payments, exclusive of the $150,000 for the Maintenance Fund, and shall make such funds available on a priority basis:

First, to the TENANT for capital costs associated with its public transportation operations in Casco Bay; and

Then, to be disbursed by the CITY to all other mass transportation needs and not limited to capital expenditures.

Decisions as to the distribution and disbursement of said funds shall be made annually as part of the CITY'S budget process and the burden will be on TENANT to justify its need for funds in excess of the Maintenance Fund which shall continue to be available solely for TENANT'S use.

ARTICLE 10. FEDERAL AND STATE FUNDS; APPROVALS

A. It is understood by TENANT that CITY'S construction of the Project is contingent upon receipt of adequate funds from both the United States and the State of Maine. As of the execution date of this Agreement, federal, State, and local approval has been given to a total of Three Million Six Hundred Fifty-Nine Thousand Three Hundred Ninety-Seven Dollars ($3,659,397.00) for the design and construction of the Project, and it is expected that said funds will be available and adequate to accomplish the Project. In the event that said funds are not finally available, or are not adequate to construct the Project, CITY may, at its option, terminate this Agreement. In such event, CITY shall give TENANT as much notice as is reasonable under the circumstances, and shall, if requested, assist TENANT in locating an alternative terminal site, if such is necessary. CITY shall not, however, be under any obligation to finish the design or construction of the Project in the event of the inadequacy or loss of federal or state funds, regardless of the reason for such inadequacy or loss of funds, including but not limited to termination for cause by the federal or state governments.

B. It is specifically understood and agreed by TENANT that this Agreement is subject to approval by UMTA, the State of Maine Public Utilities Commission, and Department of Transportation prior to its execution. Both parties agree to work in good faith with said federal and State agencies and to execute any amendments to this Agreement which are required by said agencies. TENANT, as a subrecipient of the federal and State grant funds under Section A above, agrees to comply with all applicable existing and future federal and State grant requirements, including but not limited to, those attached to this Agreement as Appendix B, which by this reference are incorporated herein.

ARTICLE 11. COMPLIANCE WITH LAWS

A. Upon execution of this Agreement and throughout the Term hereof, TENANT shall, at its own cost and expense, promptly observe and comply with all existing and future laws, ordinances, requirements, orders, directives, rules and regulations of the federal, state and county and city governments, and of all other

governmental authorities affecting the Premises or appurtenances thereto, or any part thereof, whether the same are in force at the commencement of the term of this Agreement or may in the future be passed, enacted or directed, and TENANT shall pay all costs, expenses, liabilities, losses, damages, fines, penalties, claims, and demands, including reasonable counsel fees, that may in any manner arise out of or be imposed on CITY because of failure of TENANT to comply with the covenants of this Article.

B. TENANT shall have the right but not the obligation to contest by appropriate legal proceeding conducted diligently and in good faith in the name of the TENANT or CITY (if legally required), or both (if legally required), without cost or expense to CITY, the validity or application of any law, ordinance, rule, regulations, or requirement of the nature referred to in the preceding Section A, and if by the terms of any such law, ordinance, order, rule, regulation or requirement compliance therewith may be legally delayed without risk of forfeiture or lien on the Premises or penalty to the CITY pending the prosecution of such law, order, rule, regulation, or requirement, TENANT may delay such compliance therewith until the final determination of such proceeding.

C. CITY agrees to execute and deliver any appropriate papers or other instruments which may be reasonably necessary or proper to permit TENANT so to contest the validity or application of any such law, ordinance, order, rule, regulation or requirement.

D. Notwithstanding Section A, the CITY agrees to refrain from passing any ordinance, order, or regulation in derogation of the express terms of this Agreement.

E. In the event that a law, rule, or other requirement is finally determined to apply to TENANT, TENANT agrees to execute any amendment to this Agreement to the extent such amendment is made necessary by the applicability of said law, rule or other requirement.

ARTICLE 12. AGENCY

The CITY agrees that TENANT may act as the agent of the CITY for the limited purpose of obtaining any necessary permits or approvals required by law to be applied for by the Owner of the real property. The CITY further agrees to execute any such application upon the request of TENANT.

ARTICLE 13. INDEMNITY

To the fullest extent permitted by law, TENANT shall at its own expense defend, indemnify, and hold harmless CITY, its City Council, its officers, agents, and employees from and against any and all liability, claims, damages, penalties, losses, expenses, or judgment, just and unjust, arising from injury or death to any person or property damage sustained by anyone in and about the Premises or as

a result of activities or service at or from the Premises and resulting from any negligent act or omission of TENANT, its officers, agents, servants, employees, or persons in privity with TENANT, except to the extent that such injury, death, or property damage results from any negligent act or omission of the CITY, its officers, agents, employees or persons, other than TENANT, in privity with City. TENANT shall, at its own cost and expense defend any and all suits or actions, just or unjust, which may be brought against CITY or which CITY may be impleaded with others upon any such above-mentioned matter, claim or claims, including claims of contractors, employees, laborers, materialmen, and suppliers. CITY shall have the right to participate in such suits or actions at its own discretion and at its own expense, and no such suit or action shall be settled without prior consent of the CITY as the case may be. Such obligation of indemnity and defense shall not be construed to negate or abridge any other right of indemnification or contribution running to the CITY which would otherwise exist. The extent of this indemnity provision shall not be limited by any requirement of insurance contained herein.

ARTICLE 14. INSURANCE.

A. Prior to occupancy of the Premises, TENANT shall procure and maintain throughout the Term of this Agreement the following insurance coverages:

(1) Public liability insurance in the amount of not less than Three Hundred Thousand Dollars ($300,000) combined single limit for bodily injury, death and property damage;

(2) Contractual liability insurance covering the obligation of indemnification under this Agreement in an amount not less than Three Hundred Thousand Dollars ($300,000);

(3) Motor vehicle liability insurance in an amount of not less than Three Hundred Thousand Dollars ($300,000) combined single limit for bodily injury, death and property damage;

(4) Workers' Compensation insurance in the statutory amount; and

(5) Watercraft coverage covering public liability and property damage for all TENANT'S watercraft and those authorized to use the Premises by TENANT, said insurance to be in an amount not less than $_____.

All such insurance shall name CITY as an additional insured. TENANT shall, prior to occupancy of the Premises, deliver to CITY certificates evidencing such insurance coverages which shall state that such insurance is non-cancellable without thirty (30) days prior

written notice to the CITY. Replacement certificates shall be delivered to CITY prior to the effective date of cancellation, termination or expiration of any policy.

TENANT and CITY understand and agree that the minimum limits of the insurance herein required may become inadequate during the Term of this Agreement and TENANT agrees that it will increase such minimum limits by reasonable amounts within thirty (30) days of receipt of notice in writing from the CITY'S Director. In no case shall such insurance be less than the statutory limits of the Maine Tort Claims Act (14 M.R.S.A. §8101 et seq.) or any successor statute thereto.

B. It shall be the responsibility of CITY to provide such all-risk casualty insurance coverage for the Premises as CITY deems necessary. The full cost of said insurance shall be deducted from the Maintenance Fund established under Article 9 above. TENANT shall be responsible for obtaining and maintaining such personal property insurance covering property owned by TENANT as it deems necessary and CITY shall have no responsibility therefor.

C. If the Ferry Terminal Building or any space leased to TENANT for its use shall be partially damaged by fire or other casualty but not rendered untenantable, the same shall be repaired with due diligence by the CITY at its own cost and expense; if the damage shall be so extensive as to render the premises untenantable, the rent payable hereunto with respect to the TENANT'S Premises shall be proportionately paid up to the time of such damage and shall thenceforth cease until such time as the Premises shall again be made tenantable by CITY, provided that, if the Premises are more than 50% destroyed by fire or other casualty, this Agreement may, at the election of either the CITY or TENANT, upon written notice thereof to be given within sixty (60) days after such destruction, thereby be terminated and ended as of the date of destruction.

ARTICLE 15. COVENANTS AGAINST LIENS

A. If in TENANT'S construction or installation of improvements on the Premises, any mechanics' lien or other lien, charge or order for payment of money shall be filed against CITY, TENANT, or any portion of the Premises, TENANT shall, at its own cost and expense, cause the same to be discharged of record or secure such payment by posting a bond with the Cumberland County Superior Court in such form and amounts satisfactory to the CITY within thirty (30) days after written notice to TENANT of the filing thereof, and TENANT shall defend, indemnify, and save harmless the CITY against and from all costs, liabilities, suits, penalties, claims and demands including reasonable counsel fees, resulting therefrom. In the event TENANT shall not cause such lien, charge or order to be discharged of record or bonded within said thirty (30) day period, CITY may thereafter cause the same to be discharged and the expense thereof shall be immediately paid to CITY by TENANT as additional rent.

B. If, in the CITY'S construction or purchase of the Premises, any mechanics' lien or other lien, charge or order for payment of money shall be filed against the TENANT or any portion of the Premises, the CITY shall, at its own cost and expense, cause the same to be discharged of record or secure such payment by posting a bond with Cumberland County Superior Court within thirty (30) days of receipt of notice in writing from TENANT to the CITY of the filing thereof. The CITY shall defend, indemnify and save harmless the TENANT from and against all costs, liabilities, suits, penalties, claims, and demands, including reasonable counsel fees, resulting therefrom.

ARTICLE 16. SUBLETTING AND ASSIGNMENT

A. TENANT shall not sublet any part or parts of the Premises, except as specifically provided herein, without the prior written approval of the CITY.

Notwithstanding the foregoing, TENANT may sublet or permit the use of space within the interior of the Ferry Terminal Building for advertising by third parties and may sublet or permit the use of its berthing spaces by third parties.

To the extent TENANT is allowed to operate vending machines or a souvenir concession facility under this Agreement, TENANT may sublet its rights to a third party to do so.

All sublessees of TENANT under this provision shall be required to comply with all applicable terms of this Agreement and with all federal, state and local laws and regulations in their operations on the Premises. Copies of all subleases or permit agreements shall be provided to CITY.

B. TENANT shall not assign this Agreement, its rights hereunder, or the Premises or any portion thereof, without the prior written approval of CITY. Notwithstanding this Article, CITY agrees to give written consent to assignment of TENANT'S leasehold interest as defined herein to a Trustee for the benefit of TENANT'S bondholders to the extent said assignment is required by TENANT'S bond identure.

C. The CITY shall not assign, sublet or convey its interest in the Premises or this Agreement unless such assignment, sublease or conveyance is expressly subject to this Agreement. CITY shall give TENANT no less than thirty (30) days' prior written notice of any such assignment, sublease or conveyance.

ARTICLE 17. EMINENT DOMAIN

If the Premises, or any significant portion thereof, are taken by eminent domain by any governmental authority or corporation having the power of eminent domain so as to prevent TENANT from continuing its operations on the Premises in substantially the same manner as it operated prior to such condemnation, then at the option of the

TENANT, this Agreement shall terminate without penalty or termination charge and TENANT shall be entitled to share in any award of damages made by the condemning authority to the extent of its interest in the Premises.

In the event TENANT can continue its operations in substantially the same manner as prior to the condemnation, or at TENANT'S option despite said condemnation, TENANT may elect to continue in possession of any portion of the Premises remaining after condemnation for the balance of the Term upon the same terms and conditions herein, if it gives notice of such election to CITY within thirty (30) days of the taking of possession by the condemning authority.

In the event this Agreement terminates pursuant to this Article, the rental paid to CITY shall be equitably adjusted to the date TENANT is relieved of possession.

ARTICLE 18. DEFAULT BY THE CITY

A. CITY'S Obligations as Landlord

Upon expiration of the period to cure provided in Section B immediately below, the CITY shall be in Default hereunder if during the Term:

(1) CITY fails to provide the Premises to TENANT for TENANT'S quiet use and enjoyment, during the Term, without hindrance or molestation by CITY or any person claiming by or through the CITY, except as provided in Article 26 below regarding the rights of Bath Iron Works;

(2) It is determined that the CITY does not have the power and authority to execute and deliver this Agreement and to carry out and perform all covenants to be performed by it hereunder, except as provided for loss of adequate federal or state funds for design and construction of the Project; or

(3) The CITY fails to observe or perform any of its covenants, agreements, or obligations of this Agreement.

B. Opportunity to Cure; Remedy for Default

(1) If CITY is in violation of this Agreement, TENANT shall give CITY written notice of such violation, and no less than thirty (30) days in which to cure said violation.

(2) In the event the CITY fails or refuses to cure such violation within the thirty (30) days or any period allowed under subsection (3) immediately below, TENANT may take whatever action at law or in equity may appear necessary or desirable to enforce performance and observance of any obligation, agreement, or covenant of CITY under this

Agreement, or it may, at its option, also terminate this Agreement upon no less than thirty (30) days' written notice to City after expiration of the applicable period in which to cure.

(3) In the event the TENANT gives notice of a violation of such a nature that it cannot be cured within the time specified by the notice, then such violation shall not be deemed to continue as long as CITY, after receiving such notice, gives written notice to TENANT of CITY'S inability to cure such violation within the specified time, describing in detail its reasons therefor and proceeds to cure the violation as soon as reasonably possible and diligently continues to take all steps necessary to complete the same within a period of time which under all prevailing circumstances shall be reasonable, but in no event to exceed one (1) year from receipt of notice of violation. No violation shall be deemed to continue if and so long as the CITY shall be delayed in or prevented from curing the same by any cause specified in and in accordance with the terms of Article 22 hereinafter.

C. General Provisions

No delay or omission by TENANT to exercise any right or power accruing upon any violation or Default of this Agreement shall impair any such right or power or shall be construed to be a waiver thereof but any such right or any power may be exercised from time to time and as often as may be deemed expeditious, and unless otherwise expressly provided herein the exercise of any one right or remedy shall not impair the right of the TENANT to any or all of the remedies.

ARTICLE 19. DEFAULT BY THE TENANT

A. TENANT'S Obligations

Upon expiration of the period to cure provided in Section B immediately below, the TENANT shall be in default hereunder if during the Term:

(1) TENANT fails to pay when due any amount or installment of Rent, or any other sums specified herein;

(2) TENANT fails to observe or perform any of its covenants, agreements, or obligations of this Agreement;

(3) To the fullest extent permitted by law, if there shall occur the dissolution of the TENANT or the TENANT shall file any petition or institute any proceedings under the Bankruptcy Code, either as such Code now exists or under any amendment thereof which may hereafter be enacted, or under any act or acts, state or federal, dealing with, or relating to the subject or subjects of bankruptcy or

insolvency, or under any amendment of such act or acts, either as a bankrupt or as an insolvent, or as a debtor, or in any similar capacity, or any involuntary petition in bankruptcy is filed against the TENANT and the same is not stayed or discharged within ninety (90) days from such filing or any other petition or any other proceedings of the foregoing or similar kind or character filed or instituted or taken against the TENANT, or a receiver of the business or of the property or assets of the TENANT shall be appointed by any court except a receiver appointed at the insistence or request of the CITY, or TENANT shall make a general or any assignment for the benefit of the TENANT'S creditors;

(4) The TENANT shall substantially abandon or vacate the Premises or fail to use the Premises for the provision of services set forth in Article 4 for a period in excess of ninety (90) days; or

(5) TENANT shall use the Premises, or any part thereof, for uses not set forth herein.

B. Opportunity to Cure; Remedy for Default

(1) If TENANT shall be in violation under this Article, or terms or conditions of this Agreement, CITY shall give written notice of such violation, and no less than thirty (30) days in which to cure said violation. However, violations in the payment of Rent must be cured within ten (10) calendar days of the notice of violation.

(2) In the event TENANT fails or refuses to cure such violation within the thirty (30) days or any period allowed under subsection (3) immediately below, the CITY may take whatever action, at law or in equity, may appear necessary or desirable to collect the Rent then due or accrued, or to enforce performance and observance of any obligation, agreement, or covenant of TENANT under this Agreement. City may also, at its option, terminate this Agreement upon no less than thirty (30) days' written notice to TENANT after expiration of the applicable period in which to cure.

In the alternative, upon expiration of the period for cure, the CITY may proceed to cure TENANT'S violation provided CITY shall give TENANT ten (10) additional days notice of its intent to cure on TENANT'S behalf. CITY may thereafter proceed to cure and deliver receipts and records reflecting the costs of cure, which costs shall constitute Additional Rent. TENANT shall pay said Additional Rent within fifteen (15) days of receipt of said bill, if TENANT agrees to the existence of the violation and the reasonableness of the steps and costs of curing. TENANT shall be entitled to a reimbursement for payments to CITY which it subsequently

claims were not reasonable in amount or justified by the terms of this Agreement. All disputes arising under this subsection not resolved by mutual agreement shall be submitted for arbitration pursuant to Article 21.

(3) In the event CITY gives notice of a violation of such a nature that it cannot be cured within such a reasonable period of time, then such violation shall not be deemed to continue provided TENANT, after receiving such notice, gives written notice to CITY of TENANT'S inability to cure such violation within the specified time; describing in detail its reasons therefor and proceeds to cure the violation as soon as reasonably possible; and so long as TENANT diligently continues to take all steps necessary to complete the same within a period of time, which under all prevailing circumstances, shall be reasonable but in no event to exceed one (1) year from receipt of notice of violation. No violation shall be deemed to continue if and so long as the TENANT shall be delayed in or prevented from curing the same by any cause specified in and in accordance with the terms of Article 22 hereinafter. This subsection shall not apply to violation in the payment of any Rents or charges owing by TENANT hereunder.

C. Notices.

In addition to the foregoing remedies for Default, CITY reserves the right to provide to any bond holders or mortgagees of TENANT a copy of any notice to TENANT from CITY that TENANT is in violation of its obligations hereunder.

D. General Provisions

No delay or omission by CITY to exercise any right or power accruing upon any violation or Default of this Agreement shall impair any such right or power or shall be construed to be a waiver thereof but any such right or any power may be exercised from time to time and as often as may be deemed expeditious, and unless otherwise expressly provided herein the exercise of any one right or remedy shall not impair the right of the CITY to any or all of the remedies.

ARTICLE 20. TERMINATION

No notice to quit possession at the expiration date of the Term of this Agreement need be given by the CITY, and TENANT covenants and agrees that upon expiration of the Term of this Agreement, or upon earlier Termination for Default by either party as hereinabove provided, it will peaceably surrender possession of the Premises leased hereunder in good condition, reasonable wear and tear, acts of God, fire, public enemy, and other casualties over which TENANT has no control excepted and CITY shall have the right to take possession of said Premises and all permanent improvements thereto. TENANT shall have the right, at any time during the Term of this

Agreement or upon termination and within sixty (60) days thereafter, to remove all trade fixtures, equipment and other personal property installed or placed by it at its expense, in, on, or about the Premises, subject, however, to any valid lien which the CITY may have thereon for unpaid rents or fees. Any and all property not removed by TENANT within the said sixty (60) day period shall thereupon become a part of the land on which it is located and title thereto shall thereupon vest in the CITY. All removal shall be at TENANT'S sole cost and expense and all property damaged by or as the result of the removal of TENANT'S property shall be restored by TENANT at its expense to the condition existing prior to such damage.

ARTICLE 21. ARBITRATION

All claims, disputes, and other matters in question between the parties arising out of or relating to this Agreement or the breach thereof shall be decided by Arbitration in accordance with the General Arbitration Rules of the American Arbitration Association then obtaining and the Maine Uniform Arbitration Act, unless the parties mutually agree otherwise. Notwithstanding the foregoing, any claims, disputes, and other matters in question arising out of this Agreement which by the express terms of this Agreement are reserved for binding resolution by means other than arbitration shall not be arbitrable.

In the event that the parties shall not resolve an arbitrable dispute within the time reserved for resolution by the terms of this Agreement, and if no time has been reserved, then after a period of ninety (90) days, either party may request in writing that the dispute be submitted to arbitration. The CITY and TENANT shall mutually agree upon an arbitrator within ten (10) days of said request. In the event they are unable to agree, an arbitrator shall be selected through the American Arbitration Association in accordance with its rules as aforesaid. Thereafter, arbitration shall be had in accordance with said rules. The Arbitrator shall have no authority to add to, subtract from, or modify the provisions of this Agreement. The Arbitrator may order reasonable discovery. The Arbitrator's decision shall be final and binding on the parties. The cost of the Arbitrator and arbitration shall be borne equally by the parties, however the Arbitrator may award all costs of Arbitration to the prevailing party if he/she determines that the other party acted in bad faith. Each party shall be responsible for the cost of presenting its own case.

ARTICLE 22. FORCE MAJEURE

Neither the CITY nor TENANT shall be deemed in violation of this Agreement if it is prevented from performing any of the obligations hereunder by reason of strikes, boycotts, labor disputes, embargoes, shortage of material, acts of God, acts of the public enemy, acts of superior governmental authority, riots, rebellion, sabotage, or other reason for which it is not responsible and which is beyond its control, provided that:

A. The non-performing party, within ten (10) calendar days after the occurrence of the FORCE MAJEURE gives the other party written notice describing the particulars of the occurrence;

B. The suspension of performance be of no greater scope and of no longer duration than is required by the Force Majeure; and

C. The non-performing party use good faith, diligent efforts to remedy its inability to perform.

ARTICLE 23. "FAVORED NATION"

To the extent permitted by law, the CITY agrees that it will not charge a more favorable rental, fee or charge to any other water transportation service offering the same services as TENANT to and between the Casco Bay Islands and operating to and from the west side of the Maine State Pier under lease with the City, than that being paid by TENANT hereunder, unless said rental, fee, or charge is offered to TENANT.

ARTICLE 24. SIGNS.

As part of its construction of the Project, CITY shall provide basic public signage for the Project, including but not limited to directional signs to the Premises and the Ferry Terminal Building. All other signs to or on the Premises shall be installed by TENANT at its own cost and expense, and all such signage shall be subject to the prior approval of the Director.

ARTICLE 25. RECORD-KEEPING

TENANT generally shall keep records of its operations and finances according to generally accepted accounting principles and in accord with any applicable federal or state requirements and CITY shall have the right, upon reasonable notice, to inspect all data and records relating to TENANT'S performance under this Agreement, such inspection to be done during normal business hours and at CITY'S expense.

ARTICLE 26. BATH IRON WORKS OPERATIONS.

Pursuant to Article 18 of the "Pier Lease" dated January 18, 1982, by and between the City of Portland and Bath Iron Works, a copy of which is on file in CITY'S Finance Department, TENANT agrees that it will not use the Premises in a manner which interferes with or creates a hazard to Bath Iron Works operations upon its property on the Maine State Pier adjacent to TENANT'S Premises. TENANT and CITY each agree that they shall notify the other party promptly of any such complaint.

ARTICLE 27. GOVERNING LAW

This Agreement and the performance thereof shall be governed, interpreted, construed, and regulated by the laws of the State of Maine.

ARTICLE 28. PARTIAL INVALIDITY

If any term, covenant, condition, or provision of this Agreement or the application thereof to any person or circumstance shall, at any time or to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term, covenant, condition, and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

ARTICLE 29. MEMORANDUM OF AGREEMENT

The parties shall at any time, at the request of either one, promptly execute an instrument, or instruments, in recordable form, which constitutes a Memorandum of Agreement setting forth a description of the Premises, the Term, and any other portions thereof, as either party may request or as may be required by any applicable law, ordinance, or governmental rule or regulation.

ARTICLE 30. PARTIES

The covenants, conditions, and agreements contained in this Agreement shall bind and inure to the benefit of the CITY and TENANT and their respective successors, and assigns.

ARTICLE 31. WAIVERS

Failure of the CITY or TENANT to complain of any act or omission on the part of the other party no matter how long the same may continue, shall not be deemed to be a waiver by said party of its rights hereunder. No waiver by the CITY or TENANT at any time, express or implied, of any breach of any provision of this Agreement shall be deemed a waiver or a breach of any other provision of this Agreement or a consent to any subsequent breach of the same or any other provision.

ARTICLE 32. NOTICES

Every notice, demand, request, approval, consent, or other communication authorized or required by this Agreement shall be in writing and shall be deemed to have been properly given when delivered

in hand or sent postage prepaid by United States registered or certified mail, return receipt requested, addressed as follows:

If to the CITY, to the attention of the City Manager, City of Portland, 389 Congress Street, Portland, ME 04101, with a copy to the Director of Transportation and Waterfront Facilities; and,

If to the TENANT, to the General Manager, P. O. Box 4656, D.T.S., Portland, ME 04112.

or such other persons or addresses as such party may designate by notice given from time to time in accordance with this Article. The Rent payable by TENANT hereunder shall be paid to CITY at the place to be designated in writing by the City Manager.

ARTICLE 33. ENTIRE AGREEMENT

This Agreement (including exhibits hereto) expresses the entire understanding and all agreements of the CITY and the TENANT with each other, and neither the CITY nor the TENANT has made or shall be bound by any agreement with or any representation to the other which is not expressly set forth in this Agreement (including the exhibits hereto). This Agreement (including the exhibits hereto) may be modified only by an agreement approved and signed by the CITY and the TENANT.

IN WITNESS WHEREOF, the said CITY OF PORTLAND has caused this Lease to be signed in its corporate name and sealed with its corporate seal by Stephen T. Honey, its City Manager, thereunto duly authorized, and CASCO BAY ISLAND TRANSIT DISTRICT, has caused this Agreement to be signed by , its , duly authorized, as of the day and date first stated above.

WITNESS:

Virginia A. Kane

CITY OF PORTLAND

By S. Stephen T. Honey
Its City Manager

CASCO BAY ISLAND TRANSIT DISTRICT

By Its Patrick N. Rhodes

STATE OF MAINE
CUMBERLAND, ss.

February 28, 1985

Personally appeared the above-named Stephen T. Honey, City Manager of said City of Portland, as aforesaid, and acknowledged the foregoing instrument to be his free act and deed in his said capacity, and the free act and deed of the City of Portland.

Before me,

Virginia S. Kane
Notary Public
VIRGINIA S. KANE
NOTARY PUBLIC, MAINE
MY COMMISSION EXPIRES MAY 2, 1990

STATE OF MAINE
CUMBERLAND, ss.

3/5, 1985

Personally appeared the above-named, Patrick P. Clark as aforesaid, and acknowledged the foregoing instrument to be his free act and deed in his said capacity, and the free act and deed of Casco Bay Island Transit District

Before me,

Notary Public
Atty at Law

Approved As To Legality
By Elizabeth L. Boynton

UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
URBAN MASS TRANSPORTATION ADMINISTRATION

WASHINGTON, D.C. 20590

See File: ME 05 0006

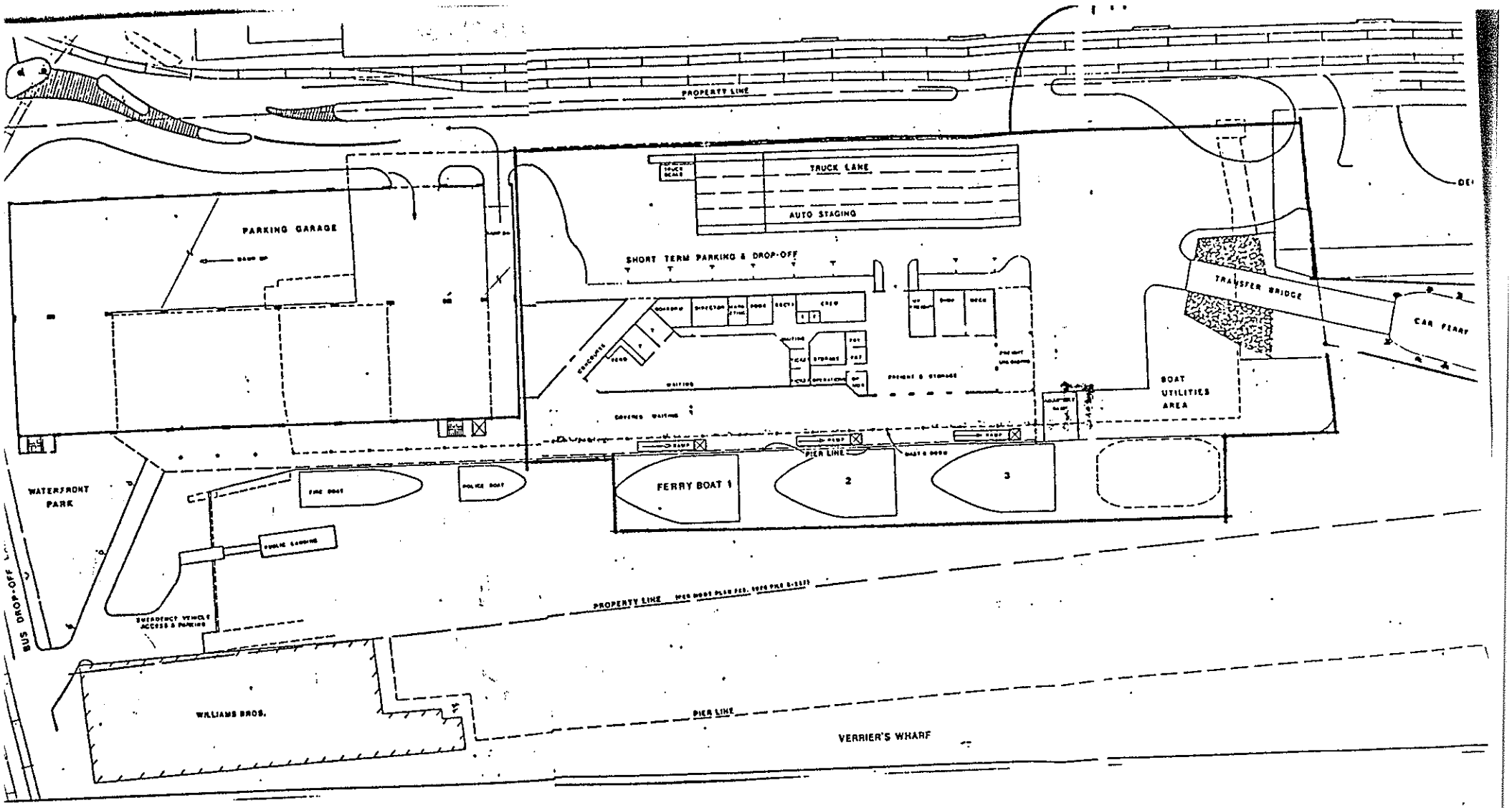
URBAN MASS TRANSPORTATION AGREEMENT

PART II

TERMS AND CONDITIONS

for Projects under section 3, 4(i), 5, 6, 8, 9, 9A, and 20 of the Urban Mass Transportation Act of 1964, as amended, 49 U.S.C. § 1601 et seq.; for Mass Transportation Projects under the Federal-Aid Highway Act of 1973, as amended, title 23 U.S.C. (Highways); or for section 175 of the Clean Air Act Amendments of 1977, 42 U.S.C. § 7505.

Form UMTA F 5G
Rev. 4/1/83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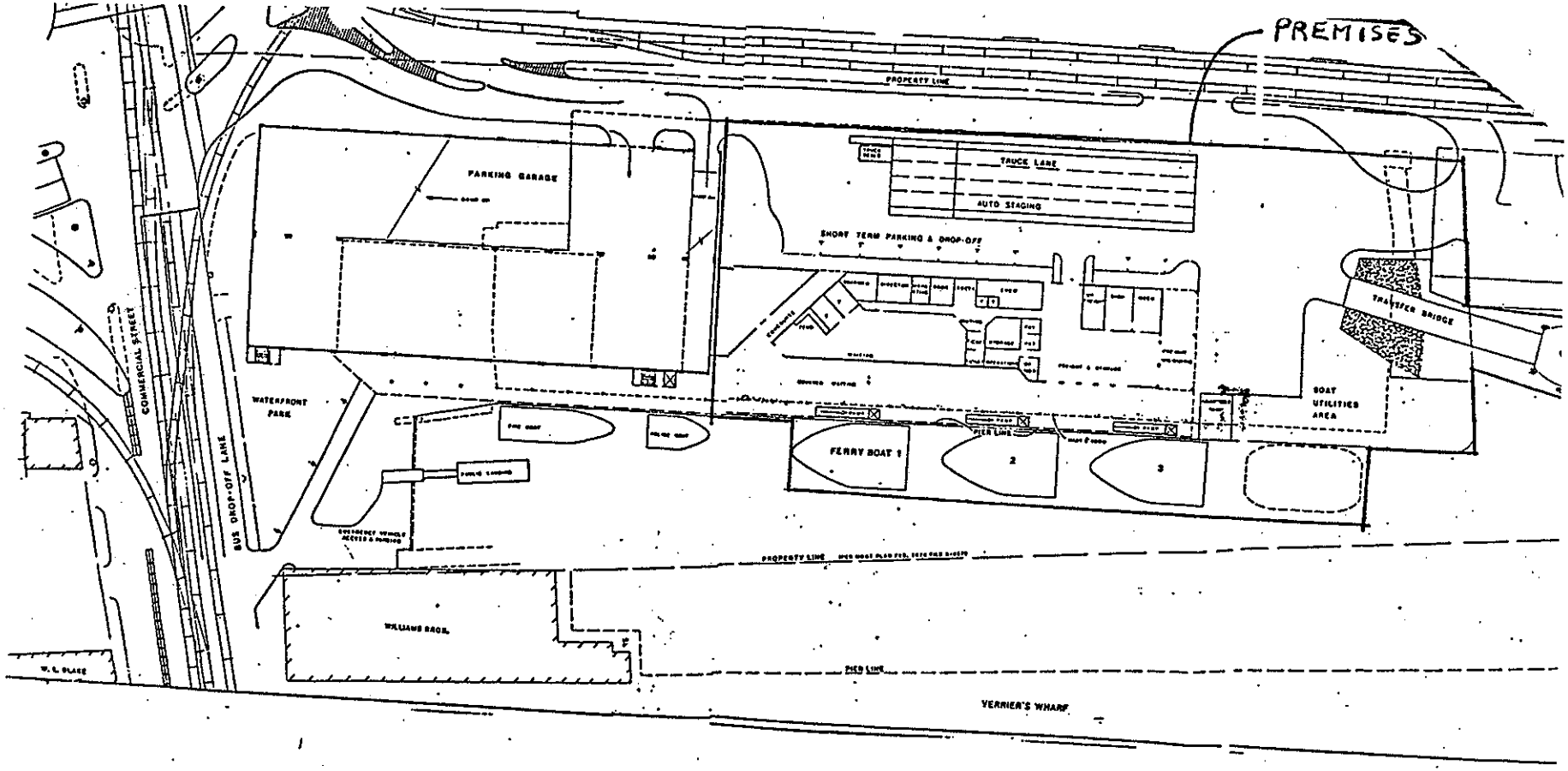
PARKING GARAGE
SHORT TERM PARKING & DROP-OFF
TRANSFER BRIDGE
CAR FERRY
BOAT UTILITIES AREA
WATERFRONT PARK
FERRY BOAT 1
2
3
PIER LINE
PROPERTY LINE
WILLIAMS BROS.
PIER LINE
VERRIER'S WHARF

APPENDIX A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PARKING GARAGE
TRUCK LANE
AUTO STAGING
SHORT TERM PARKING & DROP-OFF
TRANSFER BRIDGE
BOAT UTILITIES AREA
WATERFRONT PARK
COMMERCIAL STREET
BUS DROP-OFF LANE
FERRY BOAT 1
2
3
PIER LINE
WILLIAMS BARGE
W. L. BLAKE
VERRIER'S WHARF

APPENDIX A

CASCO BAY FERRY TERMINAL LEASE

APPENDIX B

INCORPORATION OF FEDERAL RULES AND REGULATIONS

This Appendix consists of "Form UMTA F 2018", dated 10/1/83, and "Form UMTA F 5G", rev. 4/1/83, a copy of which is attached hereto.

TENANT agrees to comply with all rules and regulations herein which are determined to be applicable to TENANT as lessee of the Premises, including but not limited to, the following:

Form UMTA F 2018:	Sections 5 through 8.
Form UMTA F 5G:	Sections 108 through 110; Sections 117 through 121.

UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
URBAN MASS TRANSPORTATION ADMINISTRATION
GRANT

NOTIFICATION OF GRANT APPROVAL
SECTIONS 3, 4(i), 5, 8, 9A AND/OR 9 OF THE URBAN MASS TRANSPORTATION ACT OF 1964, AS AMENDED

49 U.S.C. § 1601 et seq. AND/OR TITLE 23 UNITED STATES CODE

PART I

THIS GRANT, effective on the date specified in the Notification of Grant Approval is entered into by and between the United States of America ("Government") and the Grantee named in the Notification of Grant Approval.

In consideration of the mutual covenants, promises, and representations herein, the parties hereto agree as follows:

Sec. 1. Purpose of Grant - The purpose of this Grant is to provide for the undertaking of an urban mass transportation planning, acquisition, construction, improvement, and/or operating program ("Program") as authorized under the Act(s) with Government financial assistance to the Grantee in the form of a grant ("Grant"), under Sections 3, 4(i), 5, 8, 9A and/or 9 of the Urban Mass Transportation Act of 1964, as amended, ("Act") for purposes set forth in the Program Description in the Notification of Grant Approval that are in accordance with the Act(s) and any implementing regulations or guidelines; and to state the terms and conditions upon which such assistance will be provided and the manner in which the Projects in the Program will be undertaken and the Program planning studies, facilities/equipment will be used.

Sec. 2. The Program - The Grantee agrees to undertake and complete the Program, and to provide for the use of the Program facilities/equipment, substantially as described in its Application, incorporated herein by reference, filed with and approved by the Government, and in accordance with the terms and conditions of this Grant. The "Program Description" in the Notification of Grant Approval describes the Program to be funded under this Grant.

Sec. 3. Federal Assistance - a. In order to assist the Grantee in financing that portion of the total cost of the Projects in the Program which the Department of Transportation (DOT) has determined cannot reasonably be financed from revenues of the public transportation system in which the Program facilities/equipment are to be used ("Net Project Cost"), such Net Project Cost total of the Projects financed in this Program being estimated to be that amount stated in the Notification of Grant Approval, the Government will make a Grant in an amount equal to either (1) the maximum amount permitted by Federal law and regulations, or (2) in the amount designated as Maximum Federal Share in the Notification of Grant Approval, or (3) the amount designated as Maximum Percentage(s) of Federal Participation as set forth in the Notification of Grant Approval, whichever is the least. With respect to

operating assistance projects financed under Sections 5 or 9 of the Urban Mass Transportation Act of 1964, as amended, notwithstanding any provision to the contrary in Section 105.c. of Part II, Form F 5G, Rev. 4/1/83, entitled Urban Mass Transportation Agreement, the Federal financial assistance provided under this Grant may be applied to the Net Project Costs incurred for operations by the Grantee in the Project Time Period for operations projects designated in the list of Program of Projects attached to the Notification of Grant Approval.

b. For purposes of this Agreement, "Net Project Cost" must be in conformance with the requirements of Office of Management and Budget Circular (OMB Circular) A-87, "Cost Principles Applicable to Grants and Contracts with State and Local Governments," and with any guidelines or regulations issued by the Government.

c. The obligation of the Government to make Federal Grant payments shall not exceed the amount provided in the Program Budget.

Sec. 4. Local Share - The Grantee agrees that it will provide from sources other than (a) Federal funds (except as may otherwise be authorized by Federal statute), (b) receipts from the use of the Program facilities/equipment, or (c) revenues of the public transportation system in which such facilites/equipment are used, funds in an amount sufficient, together with the Grant, to assure payment of the actual Project Cost of each Project in the Program. The Grantee further agrees that no refund or reduction of the amount so provided below the level of Federal assistance will be made at any time, unless there is at the same time a refund to the Government of a proportional amount of the Grant. The Grantee's obligation to provide the Local Share is calculated on a Project-by-Project basis for each Project in the Program.

Sec. 5. Labor Protection - The Grantee agrees to undertake, carry out, and complete the Program under the terms and conditions determined by the Secretary of Labor to be fair and equitable to protect the interests of employees affected by the Program and meeting the requirements of section 13(c) of the Act, 49 U.S.C. § 1609(c), and Department of Labor regulations at 29 C.F.R. Part 215. These terms and conditions are identified in the letter of certification to the Government from the Department of Labor on the date set forth in the Notification of Grant Approval, which letter and any documents cited in that letter are incorporated into this Grant by reference. The Grant is subject to the conditions stated in the Department of Labor letter.

Sec. 6. Special Requirement for Sections 3 and/or 5 Capital Projects.

The following requirement is applicable to projects financed under Sections 3 and/or 5 Capital of the Urban Mass Transportation Act of 1964, as amended:

Procurement of Rolling Stock and Buses.

In lieu of requiring that contracts for the acquisition of rolling stock be awarded on the basis of evaluation or consideration of performance, standardization, life-cycle costs and other factors, or on the basis of lowest initial capital cost, such contracts may be awarded based on a competitive procurement process, except that this provision does not apply to procurements undertaken in the course of grants agreements financed prior to January 6, 1983. Such competitive procurement process must be consistent with the provisions of Part II, Section 110.d.

Sec. 7. Special Requirements for Section 5 Projects.

a. Fares and Services - The Grantee assures that for any public mass transportation system receiving financial assistance under this Project, no fare change or substantial change in service as defined in 49 C.F.R. 635.7 has been adopted since May 17, 1980, or since the time of its first award of Federal financial assistance under Section 5 of the Act, whichever is the later, and assures that no fare change or substantial change in service as defined in 49 C.F.R. 635.7 will be instituted, except:

(1) after a public hearing is held or an opportunity for such hearing is afforded, after adequate public notice;

(2) after proper consideration to the views and comments expressed in such hearing is given; and

(3) after consideration of the effect on energy conservation, and the economic, environmental, and social impact of the change in the fare or service is given.

b. Half Fare Requirement - The Grantee agrees and assures that the rates charged elderly and handicapped persons during nonpeak hours for transportation utilizing or involving the facilities and equipment financed pursuant to this Grant will not exceed one-half of the rates generally applicable to other persons at peak hours, whether the operation of such facilities and equipment is by the applicant or is by another entity under lease or otherwise.

Sec. 8. Special Requirements for Section 9A and 9 Projects.

The following requirements are applicable to projects financed under Section 9 of the Urban Mass Transportation Act of 1964, as amended:

a. Fares and Services - The Grantee agrees that it will solicit and consider public comment prior to raising fares or implementing a major reduction of service.

b. Audit Requirement - The Government may, at least annually and more frequently in its discretion, either conduct or require the Grantee to have independently conducted, reviews and audits as the Government may deem appropriate pursuant to the provisions of section 9(g) of the Act and any regulations or guidelines that may be issued by the Government.

c. Half-Fare Requirement - The Grantee agrees and assures that the rates charged elderly and handicapped persons during nonpeak hours for transportation utilizing or involving the facilities and equipment financed pursuant to this Grant will not exceed one-half of the rates generally applicable to other persons at peak hours, whether the operation of such facilities and equipment is by the applicant or is by another entity under lease or otherwise. The Grantee agrees and assures that it will give the rate required herein to any person presenting a medicare card duly issued to that person pursuant to title II or title XVIII of the Social Security Act.

d. False or Fraudulent Statements - The Grantee takes notice pursuant to section 9(h) of the Act, that the provisions of section 1001 of title 18, United States Code are applicable to any certifications or submissions under section 9 of the Act. The Government reserves the right to exercise any remedies set forth in section 9(h) of the Act should a violation occur.

Sec. 9. Special Condition Pertaining to Financing Section 3 or 9A Projects.

Payments to the Grantee under Section 3 or 9A of the Act shall be subject to the availability of sufficient funds in the Mass Transit Account of the Highway Trust Fund and an adequate liquidating cash appropriation enacted into law.

Sec. 10. The Grant - This Grant consists of the Notification of Grant Approval; this Part I, Form F 2018, 10/1/83, entitled Urban Mass Transportation Administration Grant; and Part II, Form UMTA 5G, Rev. 4/1/83, entitled Urban Mass Transportation Agreement, Terms and Conditions. Should the Grant award letter include special conditions for Projects in this Program, that letter is incorporated herein by reference and made part of this Grant. The latest approved Program Budget is incorporated herein by reference and made part of this Grant. Amendments to any of these documents shall require a formal amendment to this Grant, except that reallocations of funds among budget items or fiscal years which reallocations do not increase the total amount of the Federal Grant may be made in accordance with all UMTA circulars and regulations. Amendments of any type that pertain to funding shall require the issuance of a new Program Budget.

Sec. 11. Execution of Grant - This Grant may be simultaneously executed in several counterparts, each of which counterparts shall be deemed to be an original having identical legal effect. When the Notification of Grant Approval is signed by the Government, this Grant should be executed by the Grantee within ninety (90) days after the Obligation Date. The Government may withdraw its obligation hereunder if the Grant is not executed within the above ninety-day period. The effective date of the Grant shall be the Obligation Date. The effective date of any Amendment shall be the Obligation Date for that Amendment.

The Grantee does hereby ratify and adopt all statements, representations, warranties, covenants, and materials submitted by it, and does hereby accept the Government's award of financial assistance and agrees to all of the terms and conditions of this Grant.

Executed this 4th day of September, 19 84.

ATTEST: Virginia S. Kasal BY: Stephen T. Honey
City Manager

Exec. Secy, City of Portland
TITLE AND ORGANIZATION

City Manager, City of Portland
TITLE AND ORGANIZATION

Certificate of Grantee's Attorney

I, David A. Lourie, acting as Attorney for the Grantee do hereby certify that I have examined this Grant and have ascertained that execution of the Grant was authorized on the date of 4/20/1983. A copy of this authorization is attached ~~or has previously been submitted to UMTA.~~ The execution of this Grant and the proceedings taken by the Grantee are in all respects due and proper and in accordance with applicable State and local law. I further certify that, in my opinion, said Grant constitutes a legal and binding obligation of the Grantee in accordance with the terms thereof and certify that to the best of my knowledge there is no legislation or litigation pending or threatened which might affect the performance of the Project in accordance with the terms of this Grant.

Dated this 4th day of Sept., 19 84

David A. Lourie
SIGNATURE

Corporation Counsel, City of Portland
TITLE AND ORGANIZATION

AMENDMENT NO. 1 TO LEASE AGREEMENT

BY AND BETWEEN

CITY OF PORTLAND

AND

CASCO BAY ISLAND TRANSIT DISTRICT

012065

AGREEMENT made this 5th day of March, 1987, by and between the CITY OF PORTLAND, a body politic and corporate located in the County of Cumberland, State of Maine (hereinafter the "CITY") and CASCO BAY ISLAND TRANSIT DISTRICT, a body politic and corporate organized under the laws of the State of Maine and located in the City of Portland (hereinafter the "TENANT").

WHEREAS, the CITY and the TENANT entered into an Agreement dated March 5, 1985 for the lease of property at the Maine State Pier for TENANT'S proposed Ferry Terminal project; and

WHEREAS, development at the present site of TENANT'S Vehicle Transfer Bridge on Portland Pier may interfere with TENANT'S operations this summer; and

WHEREAS, it is feasible to move the Vehicle Transfer Bridge to its planned site prior to development of the overall Ferry Terminal Project; and

WHEREAS, CITY and TENANT have therefore agreed to move the Vehicle Transfer Bridge from its present location to the Maine State Pier prior to TENANT'S Beneficial Occupancy of the PREMISES, under said Agreement; and

WHEREAS, a final subdivision plan has been developed identifying the boundaries of TENANT'S leasehold interest;

NOW, THEREFORE, in consideration of the mutual promises herein, the parties do hereby agree to modify the Lease Agreement of March 5, 1985 as follows:

CITY OF PORTLAND, MAINE
CASCO BAY GARAGE - BONDED DEBT AMORTIZATION
12/85 ISSUE

DUE DATE	ISSUE	PRINCIPAL	INTEREST	TOTAL PAYMENT	
06/01/86	1285	0.00	70,215.00	70,215.00	
12/01/86	1285	91,108.00	70,215.00	161,323.00	
06/01/87	1285	0.00	66,115.00	66,115.00	
12/01/87	1285	91,108.00	66,115.00	157,223.00	
06/01/88	1285	0.00	62,015.00	62,015.00	
12/01/88	1285	89,877.00	62,015.00	151,892.00	
06/01/89	1285	0.00	57,971.00	57,971.00	Fy89
12/01/89	1285	89,877.00	57,970.00	147,847.00	
06/01/90	1285	0.00	53,926.00	53,926.00	Fy90
12/01/90	1285	89,877.00	53,926.00	143,803.00	
06/01/91	1285	0.00	49,882.00	49,882.00	Fy91
12/01/91	1285	89,877.00	49,881.00	139,758.00	
06/01/92	1285	0.00	46,736.00	46,736.00	
12/01/92	1285	89,877.00	46,736.00	136,613.00	
06/01/93	1285	0.00	43,591.00	43,591.00	
12/01/93	1285	89,877.00	43,590.00	133,467.00	
06/01/94	1285	0.00	40,445.00	40,445.00	
12/01/94	1285	89,877.00	40,444.00	130,321.00	
06/01/95	1285	0.00	37,254.00	37,254.00	
12/01/95	1285	89,877.00	37,254.00	127,131.00	
06/01/96	1285	0.00	33,996.00	33,996.00	
12/01/96	1285	89,877.00	33,996.00	123,873.00	
06/01/97	1285	0.00	30,671.00	30,671.00	
12/01/97	1285	89,877.00	30,670.00	120,547.00	
06/01/98	1285	0.00	27,300.00	27,300.00	
12/01/98	1285	89,877.00	27,300.00	117,177.00	
06/01/99	1285	0.00	23,885.00	23,885.00	
12/01/99	1285	89,877.00	23,885.00	113,762.00	
06/01/2000	1285	0.00	20,425.00	20,425.00	
12/01/2000	1285	89,877.00	20,424.00	110,301.00	
06/01/2001	1285	0.00	16,920.00	16,920.00	
12/01/2001	1285	89,877.00	16,919.00	106,796.00	
06/01/2002	1285	0.00	13,369.00	13,369.00	
12/01/2002	1285	89,877.00	13,369.00	103,246.00	
06/01/2003	1285	0.00	9,774.00	9,774.00	
12/01/2003	1285	89,877.00	9,774.00	99,651.00	
06/01/2004	1285	0.00	6,516.00	6,516.00	
12/01/2004	1285	89,877.00	6,516.00	96,393.00	
06/01/2005	1285	0.00	3,258.00	3,258.00	
12/01/2005	1285	89,875.00	3,258.00	93,133.00	
TOTALS	1285	1,800,000.00	1,428,521.00	3,228,521.00	

CITY OF PORTLAND, MAINE
CASCO BAY GARAGE - BONDED DEBT AMORTIZATION
07/82 ISSUE

DUE DATE	ISSUE	PRINCIPAL	INTEREST	TOTAL PAYMENT
01/01/85	0782	0.00	5,914.00	5,914.00
07/01/85	0782	11,281.00	5,914.00	17,195.00
01/01/86	0782	0.00	11,137.00	11,137.00
07/01/86	0782	11,281.00	11,137.00	22,418.00
01/01/87	0782	0.00	10,446.00	10,446.00
07/01/87	0782	11,281.00	10,446.00	21,727.00
01/01/88	0782	0.00	9,755.00	9,755.00
07/01/88	0782	11,281.00	9,755.00	21,036.00
01/01/89	0782	0.00	9,107.00	9,107.00 7/89
07/01/89	0782	11,281.00	9,106.00	20,387.00
01/01/90	0782	0.00	8,416.00	8,416.00 7/90
07/01/90	0782	11,281.00	8,415.00	19,696.00
01/01/91	0782	0.00	7,725.00	7,725.00 7/91
07/01/91	0782	11,281.00	7,724.00	19,005.00
01/01/92	0782	0.00	7,034.00	7,034.00
07/01/92	0782	11,281.00	7,033.00	18,314.00
01/01/93	0782	0.00	6,343.00	6,343.00
07/01/93	0782	11,281.00	6,342.00	17,623.00
01/01/94	0782	0.00	5,672.00	5,672.00
07/01/94	0782	11,281.00	5,671.00	16,952.00
01/01/95	0782	0.00	5,034.00	5,034.00
07/01/95	0782	11,281.00	5,034.00	16,315.00
01/01/96	0782	0.00	4,386.00	4,386.00
07/01/96	0782	11,281.00	4,385.00	15,666.00
01/01/97	0782	0.00	3,723.00	3,723.00
07/01/97	0782	11,281.00	3,722.00	15,003.00
01/01/98	0782	0.00	3,052.00	3,052.00
07/01/98	0782	11,281.00	3,051.00	14,332.00
01/01/99	0782	0.00	2,375.00	2,375.00
07/01/99	0782	11,281.00	2,374.00	13,655.00
01/01/2000	0782	0.00	1,692.00	1,692.00
07/01/2000	0782	11,281.00	1,692.00	12,973.00
01/01/2001	0782	0.00	1,128.00	1,128.00
07/01/2001	0782	11,281.00	1,128.00	12,409.00
01/01/2002	0782	0.00	565.00	565.00
07/01/2002	0782	11,277.00	564.00	11,841.00
TOTALS	0782	203,054.00	206,997.00	410,051.00

CITY OF PORTLAND, MAINE
CBFT PARKING GARAGE
SELECTED FINANCIAL INFORMATION

A	B	C	D	E	F	G	H	
	PARKING REVENUES	INTEREST EXPENSE	DEPRECIATION EXPENSE	EXCESS EXPENSE	CUMULATIVE EXCESS EXPENSE	BOND PRINCIPAL REPAID	(+B-C-G) ANNUAL CASH FLOW DEFICIT	CUMULATIVE CASH FLOW DEFICIT
FY '85	0	5,914	0	(5,914)	(5,914)	0	(5,914)	(5,914)
FY '86	0	87,266	0	(87,266)	(93,180)	11,281	(98,547)	(104,461)
FY '87	0	157,913	0	(157,913)	(251,093)	102,389	(260,302)	(364,763)
FY '88	0	148,331	0	(148,331)	(399,424)	102,389	(250,720)	(615,483)
FY '89	22,515	138,848	75,342	(191,675)	(591,099)	101,158	(217,491)	(832,974)
FY '90	118,800	129,418	148,538	(159,156)	(750,255)	101,158	(111,776)	(944,750)
FY '91	109,199	119,948	211,724	(222,473)	(972,728)	101,158	(111,907)	(1,056,657)

AMENDMENT NO. 1 TO LEASE AGREEMENT

BY AND BETWEEN

CITY OF PORTLAND

AND

CASCO BAY ISLAND TRANSIT DISTRICT

AGREEMENT made this day of , 1987, by and between the CITY OF PORTLAND, a body politic and corporate located in the County of Cumberland, State of Maine (hereinafter the "CITY") and CASCO BAY ISLAND TRANSIT DISTRICT, a body politic and corporate organized under the laws of the State of Maine and located in the City of Portland (hereinafter the "TENANT").

WHEREAS, the CITY and the TENANT entered into an Agreement dated March 5, 1985 for the lease of property at the Maine State Pier for TENANT'S proposed Ferry Terminal project; and

WHEREAS, development at the present site of TENANT'S Vehicle Transfer Bridge on Portland Pier may interfere with TENANT'S operations this summer; and

WHEREAS, it is feasible to move the Vehicle Transfer Bridge to its planned site prior to development of the overall Ferry Terminal Project; and

WHEREAS, CITY and TENANT have therefore agreed to move the Vehicle Transfer Bridge from its present location to the Maine State Pier prior to TENANT'S Beneficial Occupancy of the PREMISES, under said Agreement; and

WHEREAS, a final subdivision plan has been developed identifying the boundaries of TENANT'S leasehold interest;

NOW, THEREFORE, in consideration of the mutual promises herein, the parties do hereby agree to modify the Lease Agreement of March 5, 1985 as follows:

1. Amend ARTICLE 2. GRANTING OF LEASEHOLD; PREMISES, by deleting the first paragraph and substituting the following:

> CITY hereby agrees to lease to TENANT and TENANT does hereby agree to lease of and from CITY the PREMISES above-described upon the terms and conditions specified herein. Said PREMISES are located on the westerly side of the Maine State Pier and shall be bounded as shown as Lot 1 on Sheet 2 of the City's Subdivision Plan entitled, "Revised Subdivision Plan of Maine State Pier and Vicinity, City of Portland, Cumberland County," drawn by Stevens, Morton, Rose & Thompson and dated November 7, 1985, updated February 17, 1987, which Plan is to be recorded in the Cumberland County Registry of Deeds simultaneously with this Lease Amendment.

2. Prior to beneficial occupancy of the PREMISES as provided in ARTICLE 3. TERM, CITY hereby grants to TENANT permission to use a sufficient portion of the PREMISES to provide a vehicle staging area and pedestrian waiting area for TENANT'S Vehicle Transfer Bridge, said use to be in common with the CITY, Bath Iron Works and CITY'S contractor or contractors.

   The permission granted hereunder shall be effective upon receipt of written permission to use the Transfer Bridge and the related vehicle and pedestrian areas from the CITY'S Manager. Said permission shall automatically expire upon beneficial occupancy of the PREMISES by TENANT.

3. TENANT'S leasehold in the PREMISES as provided in ARTICLE 2, and the permission granted under this Amendment, is subject to the following easements:

A. Easement Deed, dated March 5, 1987, to Portland Water District which is to be recorded in the Cumberland County Registry of Deeds simultaneously with the recording of the Memorandum of Lease;

B. Easement Deed, dated March 5, 1987, to New England Telephone which is to be recorded in the Cumberland County Registry of Deeds simultaneously with the recording of the Memorandum of Lease;

C. Easement Deed, dated March 5, 1987, to Central Maine Power Company to be recorded in the Cumberland County Registry of Deeds simultaneously with the recording of the Memorandum of Lease; and

D. Deed Indenture, dated March 5, 1987, describing reciprocal easements by and among the City of Portland, Casco Bay Island Transit District, and Bath Iron Works for Pedestrian and Vehicular rights-of-way and navigational rights, which Deed is to be recorded in the Cumberland County Registry of Deeds simultaneously with the recording of the Memorandum of Lease.

4. It is hereby understood and agreed that TENANT'S occupancy and use of the PREMISES as provided in this Amendment shall be simultaneous with occupancy of the PREMISES by a contractor or contractors who will be constructing the Ferry Terminal Building and/or the planned parking garage and facilities related thereto. TENANT agrees to cooperate with CITY and with the said contractors to ensure reasonable access of equipment,

machinery, vehicles and workers to the worksite to ensure that the work can proceed in a timely and reasonable manner; provided, however, that it shall be the responsibility of said contractors to provide a safe and secure worksite, and TENANT shall have no responsibility therefor. TENANT shall make reasonable effort to provide the CITY and Bath Iron Works with written notice a reasonable time in advance of any planned changes in its regularly scheduled use of the PREMISES and/or the Vehicle Transfer Bridge, and of any other events of which TENANT has notice, which schedule change or event would reasonably be expected to affect access or movement on the Maine State Pier. CITY agrees to cooperate with TENANT to make TENANT'S needs known to CITY'S contractors at the PREMISES and to use reasonable efforts to resolve any conflict or conflicts which may arise during construction.

5. TENANT hereby agrees to cooperate with Bath Iron Works to provide Bath Iron Works' traffic reasonable vehicle access through the said vehicle staging area and movement up and down the Maine State Pier; provided, however, that TENANT shall not be deemed to be responsible for, or providing any guarantee of, such access.

6. TENANT shall have no responsibility during the term of the permission granted in Section 2 above for the PREMISES and is not responsible for the signage, construction, condition or maintenance of the vehicle staging area and pedestrian waiting

area. Notwithstanding the foregoing, TENANT shall have the exclusive use of the Transfer Bridge and shall provide indemnification and insurance covering the Transfer Bridge and its operations thereon as provided in ARTICLE 13. INDEMNITY and ARTICLE 14. INSURANCE.

CITY shall be responsible for providing a vehicle and pedestrian passageway during construction and pursuant to the plan for construction of the Project as approved by CITY. Said passageway shall be constructed pursuant to the Project's construction schedule, and TENANT understands and agrees that the passageway may be of a temporary material and nature during construction.

CITY further agrees to provide and maintain street lighting and signals down the vehicular right of way on the Maine State Pier pursuant to any applicable standards of the CITY Traffic Engineer and pursuant to the design of the Project. The costs of said lighting, including energy costs, shall be paid by CITY.

7. TENANT'S obligation of INDEMNIFICATION and INSURANCE under ARTICLES 13 and 14 of the Agreement shall be in effect under this Amendment only as to the requirement in Section 6 above covering the Transfer Bridge, plus said obligations as to Automobile Liability Insurance, Workers' Compensation Insurance and Watercraft coverage. Said Watercraft coverage shall be in an amount not less than $_____.

8. Pursuant to ARTICLE 10 of the Agreement, CITY and TENANT agree to incorporate the amendments attached hereto as Appendix B(1) into said Agreement, as required by the U. S. Urban Mass Transportation Administration.

9. Except as specifically provided herein, all the terms and conditions of the Agreement of March 5, 1985 remain in full force and effect.

IN WITNESS WHEREOF, the CITY OF PORTLAND has executed this Amendment No. 1 to the March 5, 1985 Lease Agreement by Robert B. Ganley, its City Manager, thereunto duly authorized, and CASCO BAY ISLAND TRANSIT DISTRICT has executed this Amendment No. 1 to the March 5, 1985 Lease Agreement by its General Manager, thereunto duly authorized, as of the date first above written.

CITY OF PORTLAND

Elizabeth L. Boynton
WITNESS

BY Robert Ganley
Robert B. Ganley
City Manager

CASCO BAY ISLAND TRANSIT DISTRICT

Elizabeth L. Boynton
WITNESS

BY Patrick R. Christian
Patrick R. Christian
Its General Manager

Approved As To Legality
By Elizabeth L. Boynton

STATE OF MAINE
CUMBERLAND, ss.

March 5, 1987

Personally appeared the above-named Robert B. Ganley, City Manager of said City of Portland, as aforesaid, and acknowledged the foregoing instrument to be his free act and deed in his said capacity, and the free act and deed of the City of Portland.

Before me,

VIRGINIA S. KANE
NOTARY PUBLIC, MAINE
MY COMMISSION EXPIRES MAY 2,

Virginia S. Kane
Notary Public/~~Attorney at Law~~

STATE OF MAINE
CUMBERLAND, ss.

March 5, 1987

Personally appeared the above-named Patrick R. Christian, General Manager of said Casco Bay Island Transit District, as aforesaid, and acknowledged the foregoing instrument to be his free act and deed in his said capacity, and the free act and deed of Casco Bay Island Transit District.

Before me,

VIRGINIA S. KANE
NOTARY PUBLIC, MAINE
MY COMMISSION EXPIRES MAY 2, 1990

Virginia S. Kane
Notary Public/~~Attorney at Law~~

MEMORANDUM OF LEASE AGREEMENT

A Lease Agreement was made and entered into on March 5, 1985, and amended on March 5, 1987, by and between the CITY OF PORTLAND, a body politic and corporate located at 389 Congress Street, Portland, Maine (hereinafter the "CITY") and CASCO BAY ISLAND TRANSIT DISTRICT, a body politic and corporate located at 25 Custom House Wharf, Portland, Maine (hereinafter the "TENANT").

1. PROPERTY: The PREMISES subject to this Ground Lease are located on the westerly side of the Maine State Pier and are bounded as shown as Lot 1 on Sheet 2 of the City's Subdivision Plan entitled, "Revised Subdivision Plan of Maine State Pier and Vicinity, City of Portland, Cumberland County," drawn by Stevens, Morton, Rose & Thompson and dated November 7, 1985, updated February 17, 1987 which Plan is to be recorded in the Cumberland County Registry of Deeds simultaneously with this Memorandum of Lease.

   Provided, however, that the above-described PREMISES are subject to the following easements:

   A. Easement Deed, dated March 5, 1987, to Portland Water District which is to be recorded in the Cumberland County Registry of Deeds simultaneously with the recording of this Memorandum;

   B. Easement Deed, dated March 5, 1987, to New England Telephone which is to be recorded in the Cumberland County Registry of Deeds simultaneously with the recording of this Memorandum;

   C. Easement Deed, dated March 5, 1987, to Central Maine Power Company to be recorded in the Cumberland County Registry of Deeds simultaneously with the recording of this Memorandum; and

   D. Deed Indenture, dated March 5, 1987, describing reciprocal easements by and among the City of Portland, Casco Bay Island Transit District, and Bath Iron Works for Pedestrian and Vehicular rights-of-way and navigational rights, which Deed is to be recorded in the Cumberland County Registry of Deeds simultaneously with the recording of this Memorandum.

2. TERM: This Agreement shall be effective immediately upon execution by CITY and TENANT. TENANT's right to occupy the PREMISES shall begin as of the first day of the first full month following the date of notice of beneficial occupancy to TENANT and this Agreement and TENANT'S interest hereunder shall be terminated on the last day of the month thirty (30) years following the date of the notice of beneficial occupancy.

Notwithstanding the foregoing, TENANT shall be permitted to use a sufficient portion of the PREMISES to provide a vehicle staging area and passenger waiting area for TENANT'S Vehicle Transfer Bridge, to be located at the end of the PREMISES. Said use shall be in common with the CITY, Bath Iron Works and the CITY'S Contractor or Contractors, shall begin as of the date of receipt of notice to use the Vehicle Transfer Bridge from CITY to TENANT, and shall automatically expire upon beneficial occupancy of the PREMISES.

3. SUBLETTING AND ASSIGNMENT: TENANT'S and CITY'S rights to assign or sublet under this Lease Agreement are as provided in Attachment A which is attached hereto and by this reference incorporated herein.

This instrument is merely a memorandum of the aforesaid Lease Agreement and is subject to all of the terms, conditions and provisions thereof. It is for recording purposes only and shall not alter or amend the Lease Agreement in any way.

IN WITNESS WHEREOF, the CITY and the TENANT have executed this Memorandum as of this 5th day of March, 1987.

CITY OF PORTLAND

Elizabeth L. Boynton

By Robert Ganley
Robert B. Ganley
City Manager

CASCO BAY ISLAND
TRANSIT DISTRICT

Elizabeth L. Boynton

By Patrick R. Christian
Patrick R. Christian
General Manager

STATE OF MAINE
CUMBERLAND, ss.

March 5, 1987

Personally appeared the above-named Robert B. Ganley, City Manager of said City of Portland, as aforesaid, and acknowledged the

foregoing instrument to be his free act and deed in his said capacity, and the free act and deed of the City of Portland.

Before me,

Virginia S. Kane

VIRGINIA S. KANE
NOTARY PUBLIC, MAINE
MY COMMISSION EXPIRES MAY 2, 1990

Notary Public/~~Attorney at Law~~

STATE OF MAINE
CUMBERLAND, ss.

March 5, 1987

Personally appeared the above-named Patrick R. Christian, General Manager of said Casco Bay Island Transit District, as aforesaid, and acknowledged the foregoing instrument to be his free act and deed in his said capacity, and the free act and deed of Casco Bay Island Transit District.

Before me,

Virginia S. Kane

VIRGINIA S. KANE
NOTARY PUBLIC, MAINE
MY COMMISSION EXPIRES MAY 2, 1990

Notary Public/~~Attorney at Law~~

Approved As To Legality
By Elizabeth L. Boynton

ARTICLE 16. SUBLETTING AND ASSIGNMENT

A. TENANT shall not sublet any part or parts of the Premises, except as specifically provided herein, without the prior written approval of the CITY.

Notwithstanding the foregoing, TENANT may sublet or permit the use of space within the interior of the Ferry Terminal Building for advertising by third parties and may sublet or permit the use of its berthing spaces by third parties.

To the extent TENANT is allowed to operate vending machines or a souvenir concession facility under this Agreement, TENANT may sublet its rights to a third party to do so.

All sublessees of TENANT under this provision shall be required to comply with all applicable terms of this Agreement and with all federal, state and local laws and regulations in their operations on the Premises. Copies of all subleases or permit agreements shall be provided to CITY.

B. TENANT shall not assign this Agreement, its rights hereunder, or the Premises or any portion thereof, without the prior written approval of CITY. Notwithstanding this Article, CITY agrees to give written consent to assignment of TENANT'S leasehold interest as defined herein to a Trustee for the benefit of TENANT'S bondholders to the extent said assignment is required by TENANT'S bond identure.

C. The CITY shall not assign, sublet or convey its interest in the Premises or this Agreement unless such assignment, sublease or conveyance is expressly subject to this Agreement. CITY shall give TENANT no less than thirty (30) days' prior written notice of any such assignment, sublease or conveyance.

Any sublease or assignment of the Premises, or part thereof, by CITY or TENANT shall be subject to the prior written approval of UMTA.

AMENDMENT NO. 2 TO LEASE AGREEMENT

BY AND BETWEEN

CITY OF PORTLAND

AND

CASCO BAY ISLAND TRANSIT DISTRICT

AGREEMENT made this 21st day of Sept., 1988, by and between the CITY OF PORTLAND, a body politic and corporate located in the County of Cumberland, State of Maine (hereinafter the "CITY") and CASCO BAY ISLAND TRANSIT DISTRICT, a body politic and corporate organized under the laws of the State of Maine and located in the City of Portland (hereinafter the "TENANT").

W I T N E S E T H:

WHEREAS, the parties entered into a Lease Agreement dated March 5, 1985, as amended by Amendment No. 1, dated March 5, 1987; and

WHEREAS, said Amendment No. 1 established the boundaries of TENANT's Premises and easements thereon by reference to a certain "Revised Subdivision Plan" for the westerly side of the Maine State Pier, referenced therein; and

WHEREAS, it is necessary to file an Amended Revised Subdivision Plan to reflect modifications resulting from construction of the parking garage facility adjacent to the Casco Bay Island Ferry Terminal building;

NOW, THEREFORE, in consideration of the mutual promises herein, the parties do hereby agree to modify the Lease Agreement of March 5, 1985, as amended on March 5, 1987, as follows:

1. Amend ARTICLE 2. GRANTING OF LEASEHOLD; PREMISES, by deleting the first paragraph and substituting the following:

> CITY hereby agrees to lease to TENANT and TENANT does hereby agree to lease of and from CITY the PREMISES above-described upon the terms and conditions specified herein. Said PREMISES are located on the westerly side of the Maine State Pier and shall be bounded as shown as Lot 1 on Sheet 2 of 2 of the CITY's Subdivision Plan entitled, "Amended Revised Subdivision Plan of Maine State Pier and Vicinity, City of Portland, Cumberland County," drawn by Stevens, Morton, Rose & Thompson and dated September 20,1988, which Amended Revised Plan is to be recorded in the Cumberland County Registry of Deeds simultaneously with this Lease Amendment.

2. Section 1 of Amendment No. 1 dated March 5, 1987, is hereby repealed.

3. TENANT's leasehold in the PREMISES as provided in ARTICLE 2, is subject to the Amended and Restated Deed Indenture, dated September 20, 1988, which Amended and Restated Deed Indenture describes reciprocal easements by and among the CITY of Portland, Casco Bay Island Transit District and Bath Iron Works, for pedestrian and vehicular rights of way and navigational rights.

4. SECTION 3(D) of Amendment No. 1, dated March 5, 1987, is hereby repealed.

5. Except as otherwise specifically provided herein, all the terms and conditions of the Agreement of March 5, 1985, and Amendment No. 1, remain in full force and effect.

IN WITNESS WHEREOF, the CITY OF PORTLAND has executed this Amendment No. 2 to the March 5, 1985, Lease Agreement, as amended, by Robert B. Ganley, its City Manager, thereunto duly authorized, and CASCO BAY ISLAND TRANSIT DISTRICT has executed this Amendment No. 2 to the March 5, 1985, Lease Agreement, as amended, by Gerald E. Garman, its President, thereunto duly authorized, as of the date first above written.

CITY OF PORTLAND

Kathryn Shehan
WITNESS

By Robert Ganley
Robert B. Ganley
City Manager

CASCO BAY ISLAND TRANSIT DISTRICT

David A. Lourie

By G E Garman
Gerald E. Garman
President

David A. Lourie
Approved as to Legality

STATE OF MAINE
CUMBERLAND, SS.

, 1988

Personally appeared the above-named Robert B. Ganley, City Manager of said City of Portland, as aforesaid, and acknowledged the foregoing instrument to be his free act and deed in his said capacity, and the free act and deed of the City of Portland.

Before me,

Kathryn Sheehan

~~Notary Public~~/Attorney at Law
Kathryn Sheehan

STATE OF MAINE
CUMBERLAND, SS.

, Sept. 16, 1988

Personally appeared the above-named Gerald E. Garman, President of said Casco Bay Island Transit District, as aforesaid, and acknowledged the foregoing instrument to be his free act and deed in his said capacity, and the free act and deed of Casco Bay Island Transit District.

Before me,

David A. Lourie

~~Notary Public~~/Attorney at Law
David A. Lourie

AMENDED AND RESTATED

DEED INDENTURE

THIS AMENDED AND RESTATED DEED INDENTURE is entered into as of this 20th day of September, 1988, by and among the CITY OF PORTLAND, a body politic and corporate, located at Portland, in the County of Cumberland and State of Maine (hereinafter referred to as "the City"), the CASCO BAY ISLAND TRANSIT DISTRICT, a body politic and corporate, duly organized under the laws of the State of Maine and located at Portland, in said County and State (hereinafter referred to as "CBITD") and BATH IRON WORKS CORPORATION, a Maine corporation duly organized under the laws of the State of Maine and having a place of business in Portland in said County and State (hereinafter referred to as "BIW").

WHEREAS, the City has received Federal and State funds to build a new Casco Bay Ferry Terminal facility and parking garage facility on the west side of the Maine State Pier, which facilities are shown on sheet 1 of 1 of the City's Subdivision Plan entitled "Amended Revised Subdivision Plan of Maine State Pier and Vicinity City of Portland, Cumberland County," drawn by Stevens, Morton, Rose & Thompson and dated September 20, 1988 (hereinafter referred to as the "Amended Plan"), which Amended Plan is recorded in the Cumberland County Registry of Deeds in Plan Book 174, Page 8, and is incorporated herein by reference; and

WHEREAS, the City, on March 5, 1985, entered into a Lease Agreement with CBITD for the new Terminal Facility and facilities related thereto (hereinafter referred to as "the Lease Agreement"), which Lease Agreement is evidenced by a Memorandum of Lease dated March 5, 1987 and recorded in said Registry of Deeds in Book 7660, Page 154, and is incorporated herein by reference; and

WHEREAS, the City, on January 18, 1982, entered into a Pier Lease with BIW for the east side of the Maine State Pier (hereinafter referred to as the "Pier Lease"), which Pier Lease is recorded in said Registry of Deeds in Book 4916, page 29, and is incorporated herein by reference; and

WHEREAS, the City, on March 5, 1987, granted an easement as is shown on the Plan to the Portland Water District for conveyance of water, which Easement Deed is recorded in said Registry of Deeds in Book 7660, Page 152, and is incorporated herein by reference; and

WHEREAS, the City, on March 5, 1987, granted an easement as is shown on the Plan to New England Telephone for telephone service, which Easement Deed is recorded in said Registry of Deeds in Book 7660, Page 148; and

WHEREAS, the City, on March 5, 1987 granted an easement as is shown on the Plan to Central Maine Power Company for electrical service, which Easement Deed is recorded in said Registry of Deeds in Book 7660, Page 150, and is incorporated herein by reference; and

WHEREAS, on March 5, 1987, the City and CBITD entered into an Amendment to the Lease Agreement (hereinafter referred to as "Amendment No. 1 to Lease"), which Amendment No. 1 to Lease is recorded in said Registry of Deeds in Book 7660, Page 158, and is incorporated herein by reference; and

WHEREAS, on March 5, 1987, the City, CBITD and BIW entered into a Deed Indenture recorded in said Registry of Deeds in Book 7660, Page 165, which provided for an exchange of reciprocal easements among the City, CBITD and BIW to provide vehicular, pedestrian and navigational access to the new Terminal Facility and facilities related thereto, to portions of the west side of the Maine State Pier owned by the City and to portions of the east side of the Maine State Pier leased by BIW; and

WHEREAS, the City, CBITD and BIW now wish to amend and restate said Deed Indenture and make certain amendments as provided herein.

NOW, THEREFORE, in consideration of the covenants, terms and conditions set forth hereinafter, the parties hereto agree as follows:

1. CBITD, in exchange for vehicular rights of way and other valuable consideration, hereby gives, grants, bargains and conveys the following easements in and over certain lots or parcels of land in Portland, County of Cumberland and State of Maine, for the duration of CBITD's Lease Agreement and any subsequent renewal of the Lease Agreement, subject to easements created through Easement Deeds from the City in favor of the

Portland Water District, New England Telephone Company and Central Maine Power Company:

a. to the City, for a pedestrian right of way in common with CBITD for street level pedestrian traffic with restricted access as shown on the Amended Plan and described therein as "City of Portland Limited Pedestrian R.O.W.";

b. to the City, for a pedestrian right of way in common with CBITD with restricted access for pedestrian traffic to and from a proposed parking garage facility with said right of way to be maintained and lighted by CBITD at CBITD's expense, said right of way to be as shown on the Amended Plan and described therein as "City of Portland Pedestrian Right-of-Way";

c. to the City and to BIW, for a vehicular right of way in common with CBITD with street lighting to be provided by the City at the City's expense, said right of way to be as shown on the Amended Plan and described therein as "City & B.I.W. Vehicular Right-of-Way."

2. CBITD, in exchange for vehicular rights of way and other valuable consideration, hereby gives, grants, bargains and conveys an easement in and over certain lots or parcels of land in Portland, County of Cumberland and State of Maine, for the duration of CBITD's Lease Agreement and any subsequent renewal of the Lease Agreement, to the City of navigational rights in common with CBITD subject to CBITD's berthing rights

as provided in the Lease Agreement, as shown on the Plan and described therein as "City of Portland Navigation Rights Subject to CBITD Berthing Rights."

3. The City, in exchange for pedestrian and vehicular rights of way, navigational rights and other valuable consideration, hereby gives, grants, bargains and conveys an easement in and over certain lots or parcels of land in Portland, County of Cumberland and State of Maine, to CBITD and to BIW, for the duration of their respective lease agreements, for a vehicular right of way in common with the City with street lighting to be provided by the City at the City's expense, subject to easements created through Easement Deeds from the City in favor of the Portland Water District, New England Telephone Company and Central Maine Power Company. Said right of way is shown on the Amended Plan and described therein as "B.I.W. & C.B.I.T.D. Vehicular Right-of-Way."

4. The City, in exchange for pedestrian and vehicular rights of way, navigational rights and other valuable consideration, hereby gives, grants, bargains and conveys an easement in and over certain lots or parcels of land in Portland, County of Cumberland and State of Maine, to CBITD, for the duration of its Lease Agreement and any subsequent renewal of the Lease Agreement, for a pedestrian right of way in common with the City with restricted pedestrian access for pedestrian traffic to and from a proposed parking garage, with said right of way to be maintained and lighted by CBITD at CBITD's expense. Said right of way is shown on the Amended

Plan and described therein as "Limited Pedestrian Right-of-Way Maintained & Lighted by C.B.I.T.D."

5. BIW, in exchange for vehicular rights of way and other valuable consideration, hereby gives, grants, bargains and conveys an easement in and over certain lots or parcels of land in Portland, County of Cumberland and State of Maine to the City and to CBITD, for the duration of the Pier Lease and any subsequent renewal of the Pier Lease, or if BIW acquires title to the property covered by the Pier Lease, for the duration of a period that ends on December 31, 2038, for a vehicular right of way in common with BIW with said right of way to be constructed in a timely manner and maintained solely at BIW's expense. Said right of way is shown on the Amended Plan and described therein as "City & C.B.I.T.D. Vehicular Right-of-Way."

6. BIW, in exchange for vehicular rights of way and other valuable consideration hereby gives, grants, bargains and conveys an easement in and over certain lots or parcels of land in Portland, County of Cumberland and State of Maine to the City, for the duration of the Pier Lease and any subsequent renewal of the Pier Lease, or if BIW acquires title to the property covered by the Pier Lease, for the duration of a period that ends on December 31, 2038, for a vehicular right of way in common with BIW with said right of way to be constructed in a timely manner and maintained solely at BIW's expense, said right of way to be as shown on the Amended Plan and described therein as "City of Portland Vehicular Right-of-Way."

7. Each party to this Amended Deed Indenture agrees that it will make reasonable efforts to prevent its operations from interfering with the use by another party or by the other parties of the vehicular and pedestrian rights of way and navigational rights granted herein.

8. The parties hereto hereby consent to the Amended Plan and agree that the Amended Plan shall supercede the original Subdivision Plan dated November 7, 1985 and revised on February 17, 1987 and recorded in said Registry of Deeds in Plan Book 161, Page 2.

9. Except as otherwise provided in this Amended Deed Indenture, nothing in this Amended Deed Indenture is to be construed as amending, revising or modifying the existing Lease Agreement, the Lease Amendment, the Pier Lease, and the Easement Deeds, which shall otherwise remain in full force and effect.

10. The parties hereto hereby terminate the Deed Indenture and release and relinquish any rights acquired thereunder.

11. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

12. This instrument may be executed in one or more signature pages, all of which may be combined together to form one complete original instrument.

IN WITNESS THEREOF, the said CITY OF PORTLAND has caused this instrument to be sealed with its corporate seal and signed in its corporate name by Duane G. Kline, its Director of Finance, thereunto duly authorized, this 20th day of Sept, 1988.

WITNESS:

Kathryn Sheehan

CITY OF PORTLAND

By: D. G. Kline

Title: Director of Finance

Duane G. Kline

Typed or Printed Name

STATE OF MAINE
CUMBERLAND, ss.

30 September, 1988

Personally appeared the above-named Duane G. Kline, as Director of Finance of said City of Portland, as aforesaid, and acknowledged the foregoing instrument to be his free act and deed in his said capacity, and the free act and deed of the City of Portland.

Before me,

Kathryn Sheehan

~~Notary Public~~/Attorney at Law

Typed or printed name
Kathryn Sheehan

IN WITNESS THEREOF, the said CASCO BAY ISLAND TRANSIT DISTRICT has caused this instrument to be sealed with its corporate seal and signed in its corporate name by Gerald E. Garman, its President, thereunto duly authorized, this 16 day of Sept., 1988.

WITNESS:

CASCO BAY ISLAND TRANSIT DISTRICT

By: G E Garman
Title: President
G. E. GARMAN
Typed or Printed Name

STATE OF MAINE
CUMBERLAND, ss.

September 16 1988

Personally appeared the above-named Gerald E. Garman, President of said Casco Bay Island Transit District, as aforesaid, and acknowledged the foregoing instrument to be his free act and deed in his said capacity, and the free act and deed of Casco Bay Island Transit District.

Before me,

Notary Public/Attorney at Law

David A. Lourie
Typed or printed name

IN WITNESS THEREOF, the said BATH IRON WORKS CORPORATION has caused this instrument to be sealed with its corporate seal and signed in its corporate name by Vernon C. Grant, its Sr. Facility Engineer thereunto duly authorized, this 19th day of Sept., 1988.

WITNESS:

Corinne M. Richardson

BATH IRON WORKS CORPORATION

By: Vernon C. Grant
Title: Sr. Facility Engineer
VERNON C. GRANT
Typed or Printed Name

STATE OF MAINE
~~CUMBERLAND~~ Sagadahoc, ss.

Sept. 19, 1988

Personally appeared the above-named Vernon C. Grant, Sr. Facility Engineer of said Bath Iron Works Corporation, as aforesaid, and acknowledged the foregoing instrument to be his free act and deed in his said capacity, and the free act and deed of Bath Iron Works Corporation.

Before me,

Corinne M. Richardson
Notary Public/Attorney at Law
CORINNE M. RICHARDSON
A Notary Public of Maine
My Commission Expires Aug. 12, 1990
Typed or printed name

[7426K]

ENCLOSURE B

CBITD3.AMD.LSE.2
11.03.95

THIRD AMENDMENT TO LEASE AGREEMENT

BY AND BETWEEN THE

CITY OF PORTLAND

AND

CASCO BAY ISLAND TRANSIT DISTRICT

THIS AGREEMENT is made this 29 day of April, ~~1995~~ 1996 by and between the **CITY OF PORTLAND** (hereinafter the **"CITY"**) and **CASCO BAY ISLAND TRANSIT DISTRICT** (hereinafter the **"TENANT"**).

WHEREAS, the **CITY** and **TENANT** entered into an Agreement dated March 5, 1985 for the lease of property at the Maine State Pier for purposes of the operation of a Ferry Terminal; and

WHEREAS, pursuant to the provisions of said Lease, **TENANT**'s rent is to be adjusted effective October 1, 1995;

NOW, THEREFORE, the parties hereby agree as follows:

1. Article 6 Rent, subparagraph B of the Lease dated March 5, 1985 shall be amended to read as follows:

   B The above rent shall be subject to a minimum annual rent which shall be credited against the total amount of rent due to **CITY** under section A above. The minimum rent shall be as follows:

Calendar Year	Minimum
10/01/95 thru 12/30/95	$833.33 per month
01/01/96 thru 12/30/96	$12,000 per year
01/01/97 thru 12/30/97	$12,000 per year
01/01/98 thru 12/30/98	$12,000 per year
01/01/99 thru 12/30/99	$14,000 per year
01/01/00 thru 12/30/00	$14,000 per year
01/01/01 thru 12/30/01	$14,000 per year
01/01/02 thru 12/30/02	$16,000 per year
01/01/03 thru 12/30/03	$16,000 per year

01/01/04 thru 12/30/04	$16,000 per year
01/01/05 thru 12/30/05	$16,000 per year

Said minimum rent shall be paid in equal monthly installments in advance, and shall be paid to **CITY** on the first day of the month.

2. Article 6 Rent, subparagraph E shall be amended to read as follows:

No later than October 1, 2005, **CITY** and **TENANT** agree to meet to reopen and to bargain in good faith on the issue of Rent, including both the percentage and source of gross revenues to be included therein and the minimum rental payment. Said minimum rental payment shall be adjusted by no less than annual rate of inflation for the twelve (12) months immediately preceding September 1, 2005. Said annual rate of inflation shall be the overall percentage change in the United States Bureau of Labor Statistics Consumer Price Index for all Urban Consumers, Boston, Massachusetts (all items = 100) (hereinafter "CPI - Boston") from August 2004 to August 2005. In the event the United States Bureau of Labor Statistics discontinues the issuance of said Consumer Price Index, the parties shall choose another broad-based cost of living index which is substantially equivalent to the discontinued index and which is then issued by the United States or the State of Maine.

If the parties have not agreed to a new rental payment prior to October 1, 2005, the existing rent shall remain in effect, adjusted for inflation as provided above, and payments shall continue to be due and payable as provided herein, and good faith negotiations shall continue at the request of either party.

3. Except as specifically provided herein, all of the terms and conditions of the original Agreement dated March 5, 1985 and Amendment Number 1 dated March 5, 1987, remain in full force and effect.

IN WITNESS WHEREOF, the **CITY OF PORTLAND** has executed this Amendment Number 3 to the March 5, 1985 Lease Agreement by Robert B. Ganley, its City Manager, thereunto duly authorized, and **CASCO BAY ISLAND TRANSIT DISTRICT** has executed this Amendment Number 3 to

the March 5, 1985 Lease Agreement by its General Manager, thereunto duly authorized, as of the date first above written.

WITNESS

Sonia Brian

CITY OF PORTLAND

By: Robert B. Ganley
Robert B. Ganley
Its City Manager

WITNESS

Donna Tyler Cummings

CASCO BAY ISLAND TRANSIT DISTRICT

By: Patrick R. Christian
PATRICK R. CHRISTIAN
(Print or type name)
Its General Manager

CITY OF PORTLAND, MAINE
M E M O R A N D U M

TO: Duane Kline, Director of Finance

FROM: Charles A. Lane, Associate Corporation Counsel
Ext. 8480

DATE: May 6, 1996

RE: **Amendment to Lease Between City and CBITD**

Attached hereto is an original Amendment to the lease between the City and CBITD for filing in your office.

Charles A. Lane
Associate Corporation Counsel

CAL:sc

Attachment

MMO\KLINE.12

CBITD4.AMD.DMK.3
2.6.04

FOURTH AMENDMENT TO LEASE AGREEMENT BY AND BETWEEN THE CITY OF PORTLAND AND CASCO BAY ISLAND TRANSIT DISTRICT

THIS AGREEMENT is made this 1st day of July, 2004 by and between the CITY OF PORTLAND (hereinafter the "CITY") and CASCO BAY ISLAND TRANSIT DISTRICT (hereinafter "TENANT").

WHEREAS, the CITY and TENANT entered into and Agreement dated March 5, 1985 for the lease of property at the Maine State Pier for purposes of the operation of a Ferry Terminal (hereinafter "LEASE"), which Agreement has been amended three times previously (hereinafter "Amendments"); and

WHEREAS, an expansion of that Ferry Terminal is planned, including a new freight shed, all as described in a grant application filed or to be filed by the Maine Department of Transportation to fund its construction of this expansion and other renovations to the existing Ferry Terminal; and

WHEREAS, this expansion of the Ferry Terminal will require an enlargement in the Leased Premises of approximately 8.0%, that is, from 106,260 square feet to approximately 114,541 square feet, in order to properly site the new freight shed; and

WHEREAS, the CITY and TENANT have agreed to proportionately increase the minimum annual rent due under the Lease by the same 8.0 percent, from $16,000 to $17,300.

NOW, THEREFORE, the parties hereby agree to amend Lease and its Amendments as follows:

1. Article 6 Rent, subparagraph A of the Lease dated March 5, 1985 shall be amended by deleting the subparagraph and restating it as follows:

TENANT covenants and agrees to pay to CITY for its use of the Premises, without offset or deduction except as provided herein, an annual rent equal to Five and Four Tenths Percent (5.4%) of all of TENANT's gross revenues from the following:

i) Tours and cruises; and
ii) Charter operations.

2. Article 6 Rent, subparagraph B of the Third Amendment to Lease dated April 29, 1996 shall be amended by adding at the end of the following italicized provision:

...Said minimum rent shall be paid in equal monthly installments in advance, and shall be paid to CITY on the first day of the month. *The minimum rent shall be increased*

by eight percent (8.0%), commencing on the day a certificate of occupancy issues, until the end of the term of this Lease.

3. Article 6 Rent, subparagraph C of the Lease shall be amended by adding at the end of the first paragraph the following provision:

...Starting and pro-rated as of the day a certificate of occupancy has issued for the new freight shed, the above stated five percent (5%) shall be increased to five and four tenths percent (5.4%). This provision shall be in effect until the end of the term of this Lease.

4. Effective as of the day a certificate of occupancy issues for the freight shed Article 2 of Lease and Amendment 2 to Lease Agreement dated September 21, 1988 shall be amended such that the Leased Premises shall be deemed to include, in addition to the original Leased Premises, the additional area depioted as "New Leased Area" on the plans entitled CBITD Lease Properties, dated September 29, 2003, and prepared by Woodard & Curran.

5. Except as specifically provided herein, all of the terms and conditions of the original Agreement dated March 5, 1985 as amended by the First Amendment dated March 5, 1987, the Second Amendment dated September 21, 1988, and the Third Amendment dated April 29, 1996, remain in full force and effect.

IN WITNESS WHEREOF, the CITY OR PORTLAND has executed this Fourth Amendment to the March 5, 1985 Lease Agreement by Joseph E. Gray, its City Manager, thereunto duly authorized, and CASCO BAY ISLAND TRANSIT DISTRICT has executed this Fourth Amendment to the March 5, 1985 Lease Agreement by Lawrence C. Walden, its President, thereunto duly authorized, both as of the date first above written.

CITY OF PORTLAND

By: _____
Joseph E. Gray
Its City Manager

CASCO BAY ISLAND TRANSIT DISTRICT

By: _____
Lawrence C. Walden
Its President

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STATE OF MAINE

SUBMERGED LANDS LEASE

No. **0337-L-33**

This SUBMERGED LANDS LEASE (hereinafter Lease) *conveys certain limited rights in the submerged lands held by the State of Maine in trust for the public. It is not an environmental permit for the use of these lands.*

This Lease is entered into by the Bureau of Parks and Lands (hereinafter Lessor), an agency of the State of Maine Department of Conservation, by its Director acting pursuant to the provisions of Title 12 M.R.S.A. Sections 1801 & 1862, and the **CITY OF PORTLAND** (hereinafter Lessee) of **389 CONGRESS STREET, PORTLAND, MAINE 04101.** Lessor hereby leases to Lessee, on the terms and conditions hereinafter set forth, the following described submerged land (hereinafter leased premises) situated in CUMBERLAND County, Maine, to wit:

A certain parcel of public submerged land located in FORE RIVER, PORTLAND, Maine, totaling 28 acres +/- , abutting adjacent upland now owned by the City of Portland, as further described in Attachments A and B which are hereby incorporated into this Lease.

1. TERM. This lease shall commence on June 1, 2004 and continue to December 31, 2033.

2. USE. Lessee is hereby authorized to use leased premises for the purposes of maintaining and developing a public port and marine transportation services facility known as the Maine State Pier and Ocean Gateway, as described in Department of Environmental Protection Natural Resources Protection Act Permit Application Number L-7866-4E-F-N and for no other purposes.

3. OTHER USES. Lessor reserves the rights of the general public to transitory fishing, fowling, recreation, navigation, and other traditional uses of leased premises, and the right of Lessor to make such other uses of leased premises, including by way of example and without limitation, the right to permit pipes to be laid thereunder or telephone wires to be maintained thereover, as shall not unreasonably interfere with Lessee's use and enjoyment of leased premises for the purposes stated in Paragraph 2 above.

4. REGULATORY PERMITS. Lessee shall be responsible for obtaining any and all permits required by any agency of the United States, the State of Maine, or any political subdivision thereof, having jurisdiction over the activities on the submerged lands contemplated by this Lease. Lessee's compliance with such permits and conditions thereof shall be a requirement of this Lease for all purposes including, without limitation, for purposes of defining the extent and purpose of any alteration or use of in, on, under, or over leased premises. Unless all required permits authorizing the uses contemplated hereby are issued prior to the expiration of the calendar year next following the creation of this leasehold, this Lease shall be void. In the event that any agency of the United States, the State of Maine, or any political subdivision thereof, denies or disapproves any portion of any application by Lessee for the use of leased premises or any portion thereof, this Lease shall be void as to the denied or disapproved use as of the date of such denial or disapproval. Rental payments made by Lessee for such denied or disapproved use may, upon proper request, be refunded or equitably adjusted, subject to a service charge. Failure by Lessee to abide by, or conform to, the terms and conditions of any such permit shall be an event of default hereunder.

5. ASSIGNMENT OR SUBLEASING. All rights leased herein by Lessor may be assigned or sublet by Lessee with the prior written consent of Lessor. Such assignment shall not be unreasonably withheld under then applicable laws, regulations, and public trust principles. Notwithstanding any such assignment or sublease, Lessee shall be and remain liable for compliance with the terms and conditions of this lease unless released by Lessor in writing.

6. RENTAL. Annual rental shall be payable hereunder throughout the term hereof as follows, except that rental shall be no less than the minimum, or more than the maximum amount established by law:

$0.00 per year.

7. RENTAL ADJUSTMENT. Lessor may adjust the rental from time to time as necessary to conform with its regulations and laws as they may be amended, but Lessor may not adjust rental for five years from the commencement date of this Lease. Subsequent adjustments may not be made more frequently than once every five years. Lessor shall give Lessee at least 120 days notice of such adjustment. In the event Lessee is unwilling to accept such adjustment, Lessee may terminate the Lease and vacate the premises within 120 days of Lessor's notice of adjustment.

8. TAXES. Lessee shall pay when due all taxes, charges, assessments and other impositions levied by any governmental entity upon the structures and improvements on leased premises or any operations or activities thereon.

9. INDEMNITY. Lessee shall defend, or cause to be defended, and indemnify and hold Lessor, its employees and agents, harmless from and against any and all manner of claims, suits, expenses, damages or causes of action arising out of, in whole or in part, the use or occupancy of leased premises by Lessee, its agents, contractors, employees, guests, invitees, permittees and sublessees. Nothing herein is intended to waive the immunities afforded to Lessee by state law, including but not limited to the immunities provided by the Maine Tort Claims Act, 14 M.R.S.A. 8101 et. seq.

10. MAINTENANCE. Lessee, at Lessee's expense, shall keep leased premises free of garbage, refuse, and other discarded material and shall maintain all improvements upon leased premises in good condition and repair.

11. GENERAL RESTRICTIONS. No nuisance shall be permitted on leased premises. No minerals, including, without limitation, sand and gravel, shall be removed from leased premises, and no rock, earth, ballast or other material shall be deposited upon leased premises, without the prior written consent of Lessor.

12. CASUALTY REPLACEMENT. In the event that the improvements and structures placed on leased premises are substantially destroyed by fire or other casualty, and Lessee does not, within two years following such casualty, rebuild or replace the affected improvements and structures, Lessor may cancel this Lease upon thirty (30) days notice to Lessee. Such rebuilding or replacement shall not be undertaken by Lessee without the prior written approval of Lessor.

13. DEFAULT. The following shall be deemed to be events of default hereunder:

A. Failure of Lessee to pay when due any rent payable hereunder;

B. Failure of Lessee to comply with any other provision of this Lease. When Lessee's failure is caused by circumstances beyond Lessee's control, Lessee shall bring about compliance within thirty (30) days of written notice of such failure, or, if such failure of compliance beyond Lessee's control cannot be cured within thirty (30) days, Lessee shall promptly and diligently undertake to

cure such failure of compliance and cause the same to be cured as soon as the nature of the failure of compliance permits;

C. A transfer by Lessee in fraud of creditors, or petition initiated by Lessee or adjudgement of Lessee as bankrupt or insolvent in any proceedings;

D. Appointment of a receiver or trustee for all, or substantially all, assets of Lessee; or

E. Abandonment by Lessee of any portion of leased premises.

Upon becoming aware of the occurrence of any such event of default, Lessor shall notify Lessee in writing. Notwithstanding section 13. B. above, if the default event has not been cured within 30 days of such notice, Lessor may, in addition to, and not instead of, any other remedies available at law or in equity, terminate this Lease without additional notice or demand to Lessee and enter onto and take possession of the leased premises. Lessee shall be liable to Lessor for all rent due hereunder and any loss and expenses incurred by Lessor by reason of such default or termination.

14. ENTRY. Lessor, its agents and representatives shall have access to leased premises and all improvements and structures thereon at all times for the purpose of inspecting and securing compliance with the terms and conditions of this Lease, and for all other lawful purposes.

15. NOTICE. Any notice required or permitted under this Lease shall be deemed to have been given when actually delivered, or when deposited in the United States mail, first class postage prepaid, addressed as follows: *To Lessor*: Bureau of Parks and Lands, 22 State House Station, Augusta, Maine 04333, ATTN: Submerged Lands Program. *To Lessee*: at the address given below by Lessee, or at such other address as Lessee may have theretofore specified by written notice actually received and placed of record with Lessor.

16. ALTERATION. Lessee shall make no alteration to leased premises, and shall place no improvements or structures in, on, or over leased premises except as specifically described in Paragraph 2 of this Lease, without Lessor's prior written consent.

17. IMPROVEMENTS. Upon the expiration, cancellation, or termination of this Lease, regardless of the reason therefor, Lessee shall have ninety (90) days to remove his property. Lessor, at its discretion, shall become owner of all improvements and structures upon leased premises not so removed. Lessor may, at its option, require Lessee to remove all such improvements and structures at Lessee's expense, and to restore leased premises to the condition in which they existed prior to the placement of any improvements or structures thereon.

18. OTHER APPLICABLE LAWS AND RULES. This Lease is subject to cancellation by an Act of the Legislature. This lease is issued in accordance with the Rules of the Bureau of Parks and Lands in effect on the effective date of this lease.

19. ABANDONMENT. Structures as described under section 2 of this Lease shall be placed on the leased premises within two (2) years of the issuance of this Lease. In the event that such structures are not completed within two (2) years of the issuance of this Lease, Lessee may request a reasonable extension of the time period to install such structures; Lessor shall consent to such extension provided that progress is being made on the installation. Once installed, such structures shall be used and maintained for their intended purpose. Failure of the Lessee to install the structures within this time frame or to use and maintain the leased premises shall be deemed an abandonment. Upon determining that the leased premises or a portion thereof have been abandoned, the Lessor at its option may terminate this lease as to the entire leased premises, or as to such portion as has not been so used or maintained, in accordance with the default provisions of Section 13.

20. MISCELLANEOUS. This Lease shall be binding upon, and shall inure to the benefit of, Lessor and Lessee and their respective successors, assigns and legal representatives. Failure of either party to complain of any act or omission on the part of the other, no matter how long the same may continue, shall not be deemed to be a waiver by said party of any of its rights hereunder. A waiver by either party at any time, express or implied, of any breach of any provision of this Lease shall not be deemed a waiver of, or consent to, any subsequent breach of the same or any other provision. Lessee may not file this Lease of record, or cause or permit the same, without Lessor's prior written consent. Lessor makes no warranty of Lessee's leasehold estate, and in the event of any lawful ejectment of Lessee, Lessor shall refund to Lessee any rentals paid to Lessor for any period of Lease term then remaining. Lessee shall comply with all applicable laws, regulations and ordinances of governmental entities having jurisdiction over leased premises. This Lease contains the entire agreement of the parties and may not be modified except by a writing subscribed by both parties.

21. GENERAL RIGHT TO TERMINATE. Lessee shall have the right to terminate this Lease by notifying Lessor at least thirty (30) days prior to termination date. In terminating, Lessee agrees to vacate leased premises and remove all structures and personal property of Lessee located thereon, unless other arrangements have been made, with prior approval of Lessor, to transfer ownership or otherwise dispose of same. Rental payments made by Lessee for such terminated use may, upon proper request, be equitably adjusted, subject to a service charge.

22. EXTINGUISHMENT OF CONSTRUCTIVE EASEMENT. Lessee hereby relinquishes any and all rights to leased premises, or any portion thereof, that may have been formerly held by constructive easement under Title 12 M.R.S.A. Sections 1801 & 1862, or otherwise.

23. REPLACEMENT. Once fully executed, this lease shall replace and extinguish Submerged Lands Lease #11-24L granted to Casco Bay Island Transit District on May 2, 1995.

24. OWNERSHIP CLAIM. The Lessee hereby reserves any rights it may have to claim ownership to the leased premises by virtue of a deed from the State of Maine dated February 1, 1982 and recorded in the Cumberland County Registry of Deeds in Book 4916, Page 26. By signing this lease, the Lessee is not waiving any claims to ownership it may have to the lease premise by virtue of said deed.

Accepted and agreed to on

August 6, 2004

(Lessee Signature)

Joseph E. Gray, Jr

(Print Name)

City Manager

(Title)

Portland Me

(Address of Record)

August 12, 2004

(Lessor Signature)

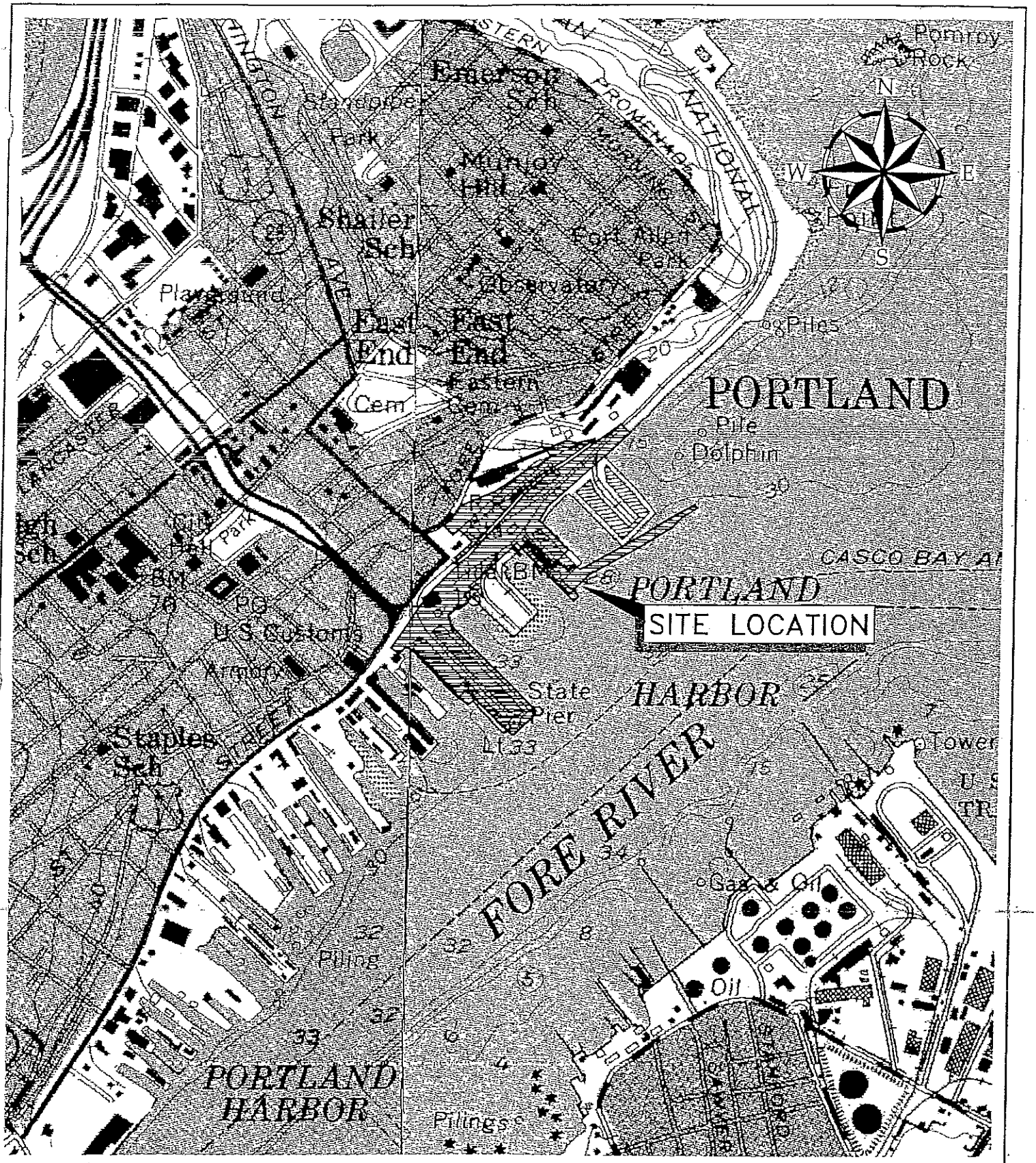
David J. Soucy

Director, Bureau of Parks and Lands

Department of Conservation

State of Maine

1/00



NOTE:

SOURCE: UNITED STATES GEOLOGICAL SURVEY, 1:24,000 QUADRANGLE, 7.5 MINUTE SERIES – PORTLAND EAST AND WEST

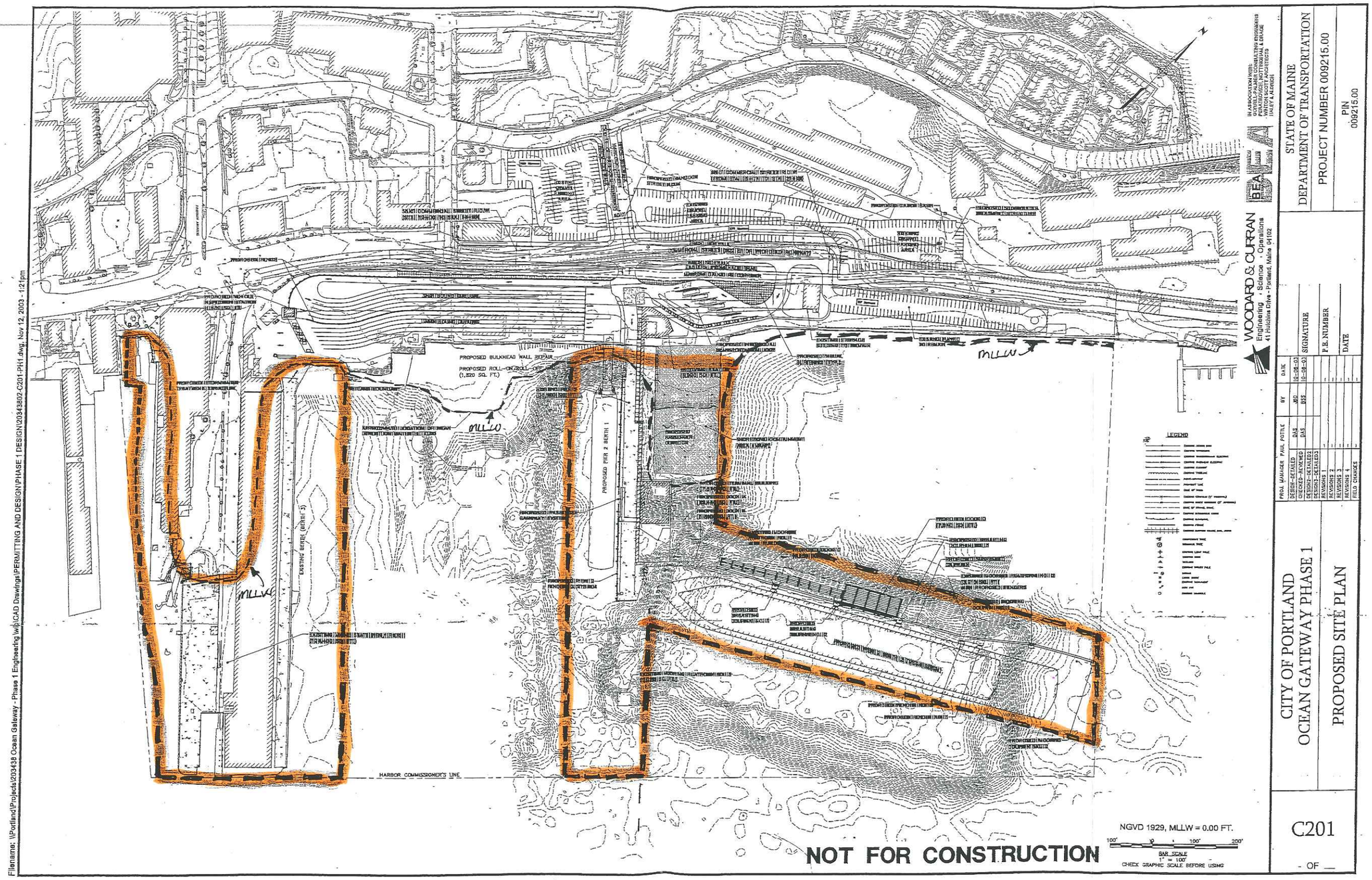
1000± 0 1000± 2000±
scale feet

WOODARD & CURRAN
Engineering · Science · Operations
PORTLAND, MAINE 800-426-4262

LOCATION MAP

DESIGNED BY: JBC	CHECKED BY: BSS
DRAWN BY: JBC	20343802-U003-NRPA.dwg

ATTACHMENT A



ATTACHMENT B

WOODARD
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woodardcurran.com

COMMITMENT & INTEGRITY DRIVE RESULTS