

Agenda
Bar Harbor Town Council
December 6, 2016

- I. **CALL TO ORDER** – 7:00 p.m.
 - A. **Excused Absence(s)**
- II. **COMMITTEE APPOINTMENTS** –
 - A. Council to consider Appointments Committee recommendations to appoint the following with expiration date of July 31 of their applicable year:
 - 1. **Parking Solutions Task Force:**
 - a. Two year term: Ron Greenberg
 - 2. **Cruise Ship Committee:**
 - a. Two year term – Representative for Resident At Large: Darron Collins
 - 3. **Parking & Traffic Committee:**
 - a. Two year term: Erin Early Ward
 - 4. **Planning Board:**
 - a. Two year term: Alf Anderson
- II. **PUBLIC COMMENT PERIOD** – The Town Council allows at this time up to fifteen minutes of public comment on any subject not on the agenda and not in litigation with a maximum of three minutes per person.
- III. **APPROVAL OF MINUTES**
 - A. **November 9, 2016 – Special Meeting with Planning Board**
 - B. **November 15, 2016 – Regular Meeting**
- IV. **ADOPTION OF AGENDA**
- V. **CONSENT AGENDA** – A single vote has been scheduled to approve the following routine items of business without discussion, unless individual agenda item action is requested by a Councilor:
 - A. **Special Amusement Permit: Little A's** – Possible motion to file update status memo from Police Chief.
 - B. **Health Insurance Reimbursement Plan** – Possible adoption of an order to amend the Personnel Rules to reflect the maximum reimbursement amount available to eligible employees who choose to opt out of the Town's health insurance coverage, as requested in the Payroll Supervisor's memorandum of November 15, 2016.

- C. **Harbor Committee Recognition** – Possible motion to prepare a resolution recognizing Jon Carter for his twenty years of service as Chair of the Harbor Committee.

VI. REGULAR BUSINESS:

- A. **Park Street Playground** – Possible motion to match the Rotary’s funding request in the FY18 Budget for the Park Street Community Playground Project.
- B. **Chamber of Commerce** – Chamber Director Martha Searchfield to present the results of the Chamber of Commerce on “Your View of Bar Harbor” survey from election day.
- C. **Parking Solutions Task Force** – Review recommendations and possible motion to accept their report; Ron Beard, Facilitator.
- D. **Ferry Terminal** – Status report and possible motion to negotiate an agreement with the Department of Transportation.
- E. **Treasurer’s Warrant** – Request of Treasurer to authorize paid bills.

VII. TOWN MANAGER’S COMMENTS

VIII. COUNCIL COMMENTS AND SUGGESTIONS FOR NEXT AGENDA

IX. EXECUTIVE SESSION: (None Anticipated)

X. ADJOURNMENT

**In order to assure your full participation in this meeting,
we would appreciate your informing us of any special
requirements you might have due to a disability.**

Please call 288-4098

*Manager's
Memo*

To: Bar Harbor Town Council
cc: Department Heads
From: Cornell Knight, Town Manager
Date: Friday, December 2, 2016

Re: **Town Council Meeting of December 6th**

CALL TO ORDER – 7:00 P.M.

- I. A. Excused Absences** – None that I am aware but if one arises, a possible motion: to excuse Councilor _____ as provided by Town Charter section C-12.B(1)(d).
- II. Committee Appointments**
- A. Appointments Committee recommendations to appoint the following with expiration date of July 31 of their applicable year:
1. **Parking Solutions Task Force:**
 - a. Two year term: Ron Greenberg
 2. **Cruise Ship Committee:**
 - a. Two year term – Representative for Resident At Large: Darron Collins
 3. **Parking & Traffic Committee:**
 - a. Two year term: Erin Early Ward
 4. **Planning Board-**
 - a. Two Year Term- Alf Anderson III

A nominating motion is in order, no second required.

- V. CONSENT AGENDA** – A single vote has been scheduled to approve the following routine items of business without discussion, unless individual agenda item action is requested by a Councilor:
- A. **Special Amusement Permit: Little A's** – Possible motion: to file update status memo from Police Chief and to cease monthly updates unless violations occur.
 - B. **Health Insurance Reimbursement Plan** – See the memo from Sarah Gilbert, Payroll Supervisor regarding the opt out program. Possible motion: to

adjust the maximum annual payouts, on a calendar year basis, under the Town's Heath Reimbursement Plan as follows: Family or Couples Coverage \$20,323; Employee with Child(ren) \$14,783; Employee Coverage \$ 9,060, and to establish the maximum annual payouts under the Wage Stipend as follows: Family or Couples Coverage \$7,701; Employee with Child(ren) \$5,602; Employee Coverage \$3,433.

- C. **Harbor Committee Recognition** – see the enclosed memo from Charlie Phippen, Harbormaster. Possible motion: to prepare a resolution recognizing Jon Carter for his twenty years of service as Chair of the Harbor Committee.

A possible motion: to approve the Consent Agenda as published

VII. Regular Business

A. Park Street Playground – See the memo from Chip Reeves, PW Director explaining the Parks & Recreation Committee's recommendation to fund 1/3 the cost of the Park Street Playground construction, or \$63,689. The Bar Harbor Rotary Club is organizing the fund raising for the total project costs of \$178,418. The Rotary Club is also requesting 10 benches at \$2,200 ea. The plans are enclosed. The town has \$ 23,689 in playground equipment reserve. So \$40,200 more is needed in CIP to fund the town's portion of this request. Possible motion: to tentatively include \$40,200 in the 2018 CIP for playground equipment.

B. Chamber of Commerce – Election Day Survey Results- Chamber Director Martha Searchfield will review the Togetherness Project survey/questionnaire done at the polling place. Enclosed are the results. No action needed.

C. Parking Solutions Task Force – See the memo and report from Ron Beard, the Task Force Facilitator. Ron will attend the meeting and make a brief presentation. As the memo states there may be some modifications to the recommendations following the Task Force meeting on Monday, but the basic recommendation of seasonal meters, kiosks, permits, enforcement, and a parking fund will remain. The \$400,000 budget for kiosks and meters would be a bond issue voted on at June 2017 town meeting. Possible motion: to accept the recommendations presented by the Parking Solutions Task Force and to tentatively include the \$400,000 in the 2018 CIP for parking meters and kiosks.

D. Ferry Terminal – I spoke with the Deputy Commissioner of DOT earlier this week who informed me that the DOT had signed the lease and sent the check to Marine Atlantic. The lease is enclosed. It will not be assigned to the town. But he said the DOT thinks the best solution is for the town to own and develop the property and they would like to work on an agreement to accomplish that goal. Negotiations would begin in January and the town can use the balance of the current contract with consultant Luis Ajamil to advise us on the agreement and the development of a business plan. A possible motion: that the town manager and Council Chair negotiate with the Department of Transportation on an agreement that would allow the town to own and develop the Ferry Terminal property. (That agreement would be voted on by the Town Council).

E. Treasurer's Warrant – A possible motion: to sign the Treasurer's Warrants for paid bills.

Minutes
Bar Harbor Joint Town Council and Planning Board
Wednesday, November 9, 2016
Council Chambers- Municipal Building
93 Cottage Street
6:00 P.M.

I. CALL TO ORDER

Chair Paul Paradis called the meeting to order at 6:00 pm. Town Council members present: Paul Paradis, Chair; Anne Greenlee, Member; Clark Stivers, Member and Burt Barker, Member.

Chair Tom St. Germain called the meeting to order at 6:00 PM. Planning Board members present: Tom St. Germain, Chair; Joe Cough, Vice Chair; John Fitzpatrick, Member and Basil Eleftheriou, Jr., Member.

Also present: Cornell Knight, Town Manager and Robert Osborne, Planning Director.

II. ADOPTION OF THE AGENDA

Ms. Greenlee moved to adopt the agenda. Mr. Stivers seconded the motion which was approved unanimously.

Mr. Fitzpatrick moved to adopt the agenda. Mr. Eleftheriou, Jr seconded the motion which was approved unanimously.

III. REGULAR BUSINESS

Chair Paradis asked Chair Tom St. Germain to begin the meeting with a brief discussion of what led the Planning Board to present these warrant articles to the Town Council. Chair St. Germain noted that the parking warrants have been in the works for some time. The questions are split into lots, decks and garages as well as accessory uses and off-site parking. The parking garage questions are separated by district. The ferry terminal discussions resulted in the proposal for a new district as presented. Finally the minimum lot area per family question is a tool to address housing issues in the town.

Chair St. Germain also noted that there was a poll of voters done on Tuesday by the Chamber and Hub to evaluate public opinion on a number of questions including parking, the ferry terminal and housing. He indicated that the results are not fully tabulated yet but it appears that there is significant recognition of housing issues and majority support for the reuse of the ferry terminal. [It appeared that a municipal parking garage did not have the same level of support.]

a. Land Use Ordinance Discussion of Parking warrant articles.

Warrant Article a1 Parking Lots

Warrant Article a2 Accessory Uses

Warrant Article a3 Parking Decks

Warrant Article a4 Off-site, Off street Parking

Warrant Article a5.1 Parking Garage in Bar Harbor Gateway district

Warrant Article a5.2 Parking Garage in Downtown Village I district

Warrant Article a5.3 Parking Garage in Downtown Village II district
Warrant Article a5.4 Parking Garage in Educational Institutional district
Warrant Article a5.5 Parking Garage in Marine Research district
Warrant Article a5.6 Parking Garage in Scientific Research district

The Council and Planning Board directed their attention on the parking garage questions with regard to if this should be one question or six or two. Both Council and Planning Board took a number of straw polls on the question. Generally the argument on the side of one question is that this is the planning direction that the Planning Board and Council are recommending. The argument against one question is lack of choice. The argument on the side of two questions is that the parking garage use is proposed in two general categories of districts: institutional districts such as the Educational Institutional, Marine Research and Scientific Research districts and village districts such as the Bar Harbor Gateway, Downtown Village I and Downtown Village II districts. The argument against two questions is lack of choice. The argument on the side of six articles is public choice. The argument against six questions is public confusion of what the town is doing. There was some discussion about providing either a map or narrative to help the reader understand where the districts are located. There was some discussion about having two questions that would be Scientific Research (Jax Lab) and the remaining districts in a second question.

Members Stivers and Greenlee supported six questions. Cornell Knight noted that Warrant Committee will not support these questions lumped together.

Member Fitzpatrick offered the concept of two questions with the village districts and the institutional districts combined. Chair Paradis supported that approach.

Member Eleftheriou, Jr. indicated that the goal is to get as much parking as possible and he feels that is more likely with the questions separated.

Member Fitzpatrick moved to move questions 1, 2 and 3 (Bar Harbor Gateway, Downtown Village I and Downtown Village II districts) into one article and 4, 5 and 6 (Educational Institutional, Marine Research and Scientific Research districts) into a second question. Member Eleftheriou, Jr. seconded the motion which was approved three in favor and one against.

Member Barker moved to combine the questions in the same way as Member Fitzpatrick's motion (move questions 1, 2 and 3 (Bar Harbor Gateway, Downtown Village I and Downtown Village II districts) into one article and 4, 5 and 6 (Educational Institutional, Marine Research and Scientific Research districts) into a second question. Chair Paradis seconded the motion which failed two in favor and two against.

Member Greenlee moved to keep the six warrant articles separate as is. Member Stivers seconded the motion which was approved three in favor and one against.

The Planning Board agreed that they would carry the questions forward as six separate questions.

The Town Council indicated that they had no issues with the parking lots warrant article as proposed.

The Planning Board indicated that they had no issues with the parking lots warrant article as proposed. Mr. Cough noted a question he had about the Mount Desert Street Corridor district and questioned if the Board had recommended that this district have parking lots.

Member Greenlee asked about the strike through on the chart indicating that it was hard to read. Perhaps the line through could extend beyond the letter to each side a bit?

b. Land Use Ordinance Discussion of Draft Shoreland District at Ferry Terminal warrant article.

Warrant Article b Shoreland Maritime Activities District

Mr. Osborne explained that the proposal was to craft a new shoreland district that covers the full extent of the 121 Eden Street parcel. The district takes advantage of Chapter 1000 provisions for greater uses and lot coverages than the existing districts. A definition for passenger terminal was crafted that appears to accommodate cruise ship operations. He noted the supplemental sheet on the district and urged the Council and Board to adopt the additional language clarifying that functionally water dependent uses and cruise ship operations are allowed.

Mr. Knight discussed the Maine Port Authority's decision to no longer pursue the purchase of the ferry terminal. He indicated that there is an opportunity for the town to acquire the terminal and that the state would provide some assistance in that regard. He indicated that he got a legal opinion that the Town Council has the authority to acquire the lease. He noted that there are some uses that the lease prohibits such as residential uses. He also noted that a zone change requires written permission from the landlord.

Mr. Barker and Mr. Fitzpatrick noted that marina use should also be added to the district to allow for a variety of activities including refueling of boats.

There was some discussion about adding parking lot, deck and garage to that district.

c. Land Use Ordinance Discussion of Minimum Area Per Family warrant article.

Warrant Article c Minimum Area Per Family

Mr. Osborne explained that the purpose of this amendment is to allow additional housing opportunities in the Downtown Village I and Downtown Village II districts by decreasing the minimum lot area per family from 750 sq. ft. to 400 sq. ft. per family. He indicated that the effect of the change is to allow typically an additional story of apartment units on a building. He cited the 5,000 sq. ft. lot that without the change supports 6 dwelling units and with the change supports 12 dwelling units.

Chair Paradis asked if the Council had any concerns on this item and they did not. Member Greenlee clarified that the change is to the land area needed per dwelling unit and not to the size of the actual dwelling unit. Mr. Osborne indicated that the International Residential Code allows tiny dwelling units as small as about 80 sq. ft. and that is why the Board reconsidered proposing a complete elimination of the requirement.

Chair Paradis thanked the Board and Staff for the work done on all of the amendments noting that the Board had scheduled a number of special meetings to move these items to this point.

IV. ADJOURNMENT

Member Stivers moved to adjourn the meeting at 8:10 pm. Member Barker seconded the motion which was approved unanimously.

Mr. Eleftheriou moved to adjourn the meeting at 8:10 pm. Mr. Cough seconded the motion which was approved unanimously.

Signed as approved:

John Fitzpatrick, Secretary
Planning Board, Town of Bar Harbor

Date

Minutes
Bar Harbor Town Council
November 15, 2016

- I. **CALL TO ORDER- 7:05 p.m.** – In attendance were Councilors: Paul Paradis, Gary Friedmann, Anne Greenlee, Burt Barker, and Matthew Hochman; and Town Manager Cornell Knight.
- A. **Excused Absence(s)** Ms. Greenlee, with second by Mr. Friedmann, moved to excuse Councilors St. Germain and Stivers as provided by Town Charter section C-12.B(1)(d). Motion passed 5-0.
- II. ***PUBLIC COMMENT PERIOD** – *The Town Council allows at this time up to fifteen minutes of public comment on any subject not on the agenda and not in litigation with a maximum of three minutes per person.* – Re-elected State Representative Brian Hubbell announced he looks forward to serving us in the next term. The next session starts in six weeks or so, and if there is anything he can do for us to let him know, preferable prior the start of the session.
- III. **APPROVAL OF MINUTES**
- A. **October 4, 2016 Regular Meeting** – Councilor Paradis noted the misspelling of honorably on page 4. Councilors Hochman and Friedmann noted, also on page 4, they voted not in favor of the motion in item VII. A., Route 3 Reconstruction – MDOT Agreement.
- B. **October 18, 2016 Regular Meeting**
- C. **October 27, 2016 Special Meeting – Goal Setting**
- Ms. Greenlee, with second by Mr. Barker, moved to approve the minutes of October 18, and 27, 2016 as presented, and October 4, 2016 as amended. Motion passed 5-0.
- IV. **ADOPTION OF AGENDA** – Mr. Friedmann, with second by Mr. Hochman, moved to adopt the agenda as presented. Motion passed 5-0.
- V. **FINANCIAL STATEMENTS** – *Review and possible adoption of a motion to accept the financial statements as presented.* – Following a brief summary of the financials from Finance Director Stan Harmon, Ms. Greenlee, with second by Mr. Barker, moved to accept and file the financial statements as presented. Motion passed 5-0.
- VI. **CONSENT AGENDA** – *A single vote has been scheduled to approve the following routine items of business without discussion, unless individual agenda item action is requested by a Councilor:*
- A. **Vehicle for Hire** – *Possible motion to approve one taxi license for Walls Elite Transportation and Tours LLC dba Island Checker Cab, as submitted*

by Bradley Walls. Proof of insurance provide and approved by Police Dept.

- B. **Municipal Review Committee** – *Possible motion to vote for Chip Reeves to serve on the MRC Board of Directors.*
- C. **2017 Council Meeting Schedule** – *Possible a motion to adopt the schedule for Town Council's 2017 meetings as proposed.*

Ms. Greenlee, with second by Mr. Hochman, moved to approve the consent agenda as published. Motion passed 5-0.

VII. REGULAR BUSINESS:

- A. **Acadia National Park**– *Transportation Concepts Presentation, Q and A; ANP Superintendent Kevin Schneider and John Kelly, Management Assistant.* – Mr. Schneider and Mr. Kelly provided an overview of the 12 page Newsletter describing the proposed concepts in managing the traffic in popular areas of the Park, in a safe or safer manner, while providing a high quality visitor experience and to preserve the natural and cultural experience. They have spoken to various organizations and will continue to do so even after November 30th. They also provided a survey comment card for the public to complete and return to them. Both the newsletter and comment cards are available in the Bar Harbor Town Office, Acadia National Park offices, and online at their website. Deadline to submit comments is November 30th.

Following comments and questions from the Council, Chair Paradis requested that the Park include a member or a liaison from the Town at their committee level during the discussion of the transportation plan. It's understood by all that municipal planning and ANP planning effect each other, and the mutual need to know and work together to achieve their goals which are often similar in nature is critical.

- B. **Council Goals for FY17-FY22** – *Review and possible motion to approve as (amended) presented.* – Councilor Greenlee suggested two edits for clarification. A. 2. After rate-payers, place a period(.) and start a new sentence: "Continue to encourage payments in lieu of property taxes while recognizing the varied public benefits provided by non-profit organizations." In item C. 3., place a period(.) in the second line after Council, and delete "on a specified number of days each year."

Following a brief discussion, Ms. Greenlee, with second by Mr. Barker, moved to accept the Council Goals 2017-2022 as presented and as amended by my comments as stated above. Motion passed 5-0.

C. **Curb Cuts:**

1. *John Sweet, 12 Livingston Road, request to create one winter off street parking for small vehicle that removes one on street parking spaces.* - Mr. Barker, with second by Mr. Hochman, moved to approve this curb cut as presented, and recognize it's a deviation from

the policy with the full recommendation of the Parking & Traffic Committee. Motion passed 5-0.

2. Jennifer & Brian Booher, 29 Ledgeawn Avenue, request to install a driveway creating two off street parking spaces that removes one on-street parking. – Ms. Greenlee, with second by Mr. Hochman, moved to approve the curb cut application by Jennifer and Brian Booher, 29 Ledgeawn Avenue. Motion passed 5-0.

- D. **Treasurer's Warrant** – *Request of Treasurer to authorize paid bills.* – Mr. Friedmann, with second by Ms. Greenlee, moved to sign the Treasurer's Warrants for paid bills. Motion passed 5-0.

- VIII. **TOWN MANAGER'S COMMENTS** – Town Manager Cornell Knight requested to hold the next meeting, December 6th, here in the Council Chambers and postpone the tentatively scheduled Neighborhood meeting in Salisbury Cove for a future date. There are a couple of big items to be discussed and should be televised. He is anticipating the Parking Solutions Task Force recommendations, possibly something on the ferry terminal, and the Transfer Station proposal.

Mr. Knight further announced the Parking Solutions Task Force will be holding a public hearing on their recommendations in the Municipal Building auditorium, November 28th at 6:00 p.m.

- IX. **COUNCIL COMMENTS AND SUGGESTIONS FOR NEXT AGENDA**

Mr. Barker commented that he appreciated the Park coming in and sharing their plans. He also noted he was thinking of Matt Hochman's earlier request to discuss the marijuana referendum, and after Bangor's proposed moratorium. Since the referendum passed and because there is breathing room before anything can happen, it should be back on our long range planning.

Mr. Friedmann thanked the Council for the excellent work on the goal setting session and their work as Council in general. They may not always agree, but they can express their disagreement and still work cordially and effectively together.

Mr. Hochman would like to see as an agenda item with Council addressing the legalization of marijuana. He congratulated the MDI football team for their big win! He also reminded everyone of this week-end MDI's drama production of Tarzan, and encouraged people to check it out.

Mr. Paradis expressed his appreciation of Mr. Friedmann's comments. He wished everyone a "happy thanksgiving".

- X. **EXECUTIVE SESSION:** (None)

- XI. **ADJOURNMENT** – Mr. Barker, with second by Ms. Greenlee, moved to adjourn at 8:35 p.m. Motion passed 5-0.

Patricia A. Gray, Town Clerk



**MOUNT DESERT POLICE DEPARTMENT
BAR HARBOR POLICE DEPARTMENT**

James K. Willis, Chief of Police



BHPD
37 Firefly Lane
Bar Harbor, Maine 04609
Tel: 207-288-3391
jwillis@barharbormaine.gov

MDPD
21 Sea Street, PO Box 248
NE Harbor, ME 04662
Tel: 207-276-5111
jwillis@mdpolic.org

Date: November 10, 2016
To: Town Manager Cornell Knight
From: Chief James Willis
Subject: Update on Little A's Special Amusement Permit

Since my update dated October 13, 2016, no new complaints have been received about the Little A's Special Amusement permit.

As of April, we have been providing monthly updates reference complaints and activity regarding Little A's. Proactive measures have been taken by the owner and the police department, to ensure that noise generated from the business has been reduced. On the few occasions when the noise level has become an issue it was addressed promptly and was effectively managed by the owner to the satisfaction of the complainants.

It is my recommendation that monthly reporting to Council cease and that I will only report violations of Little A's special amusement permit or issues that rise to the actionable level of the Town of Bar Harbor.

The police department will continue to monitor noise levels in the area of Little A's, consistent with similar downtown establishments and communicate with the with the owner and surrounding neighbors if noise complaints arise.

V B.



Memo

To: Town Council

From: Sarah Gilbert, Payroll Supervisor

Cc: Cornell Knight, Town Manager
Stan Harmon, Finance Director

Date: November 15, 2016

**Re: Health Insurance Reimbursement Plan
Annual Revisions to Health Insurance Opt Out Limits**

Per the Town of Bar Harbor's Health Insurance Reimbursement Program, and the Resolution that was adopted December 2, 2002, the Town Council must annually determine the maximum reimbursement payable available to eligible employees who choose to Opt Out of the Town's health insurance coverage and participate in a qualifying alternative health insurance program. Health Insurance premiums for 2017 will increase by 12.25%, as the Town will now be a member of the non rated Trust pool.

For Fiscal Year 2016 the town had an average of twenty two employees who chose the Opt Out reimbursement method and three employees who chose the Wage Stipend. For the twelve months ended June 30, 2016, for all funds, these plans have resulted in a direct premium savings to the Town of \$240,254, up from \$216,148 last year. Since the inception of the program, one participant has reached the annual maximum payout level.

Appropriate order would be:

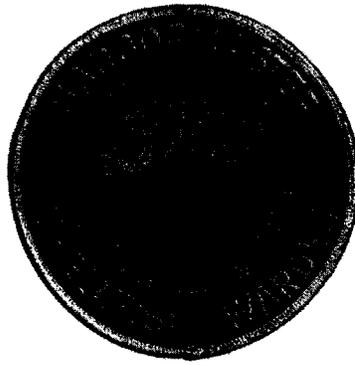
Move to adjust the maximum annual payouts, on a calendar year basis, under the Town's Health Reimbursement Plan as follows:

<u>Family or Couples Coverage</u>	<u>\$20,323</u>
<u>Employee with Child(ren)</u>	<u>\$14,783</u>
<u>Employee Coverage</u>	<u>\$ 9,060</u>

Move to establish the maximum annual payouts under the Wage Stipend as follows:

<u>Family or Couples Coverage</u>	<u>\$7,701</u>
<u>Employee with Child(ren)</u>	<u>\$5,602</u>
<u>Employee Coverage</u>	<u>\$3,433</u>

Charles A. Phippen
Harbormaster
1 Town Pier
Bar Harbor, Maine 04609



V C.

(207) 288-5571
FAX 288-1034
VHF 16 & 09
bhhmaster@barharbormaine.gov

Memorandum

To: Cornell Knight
From: Charlie Phippen
Date: November 15, 2016
Re: Harbor Committee recommendation to Town Council

The Harbor Committee held a regular meeting on Monday, November 14th, and among other items, discussed making a recommendation to Town Council to officially thank Jon Carter for serving on the Harbor Committee for well over twenty years. Jon served as Committee Chair for over twenty years as well. The Committee recommends that he be recognized for his many years of voluntary service on the Harbor Committee and thanking him for his devotion and service to the Town.

Charlie



Memo

To: Cornell Knight, Town Manager

From: Chip Reeves, Public Works Director

Subject: Park Street Community Playground Project Funding Request

Date: November 10, 2016

On June 21, 2011, the Town Council authorized the Park Street Community Playground Project, spearheaded by Amy Schwartz, to solicit donations for the renovation of the Park Street Playground on the condition that a secure and appropriate accounting system be approved by the Town Finance Director. The project scope in general is a retrofit of the existing playground. The MDI YMCA is managing the accounting process for this project.

In support of the project, the Bar Harbor (MDI) Rotary club has committed to the fund raising effort to complete the project. Representatives of the Rotary met with the Parks and Recreation Committee on November 7, 2016, to provide a project update and to formally request financial support from the Town. Please see the attached Rotary letter so stating, equipment and fencing quotes, the original project proposal and approved preliminary design.

At the November 7 meeting, the Parks and Recreation Committee unanimously agreed to recommend to the Town Council to increase FY18 funding to the Play Ground Equipment CIP by \$40,000.00. This will bring the total to \$63,689 which is enough to match the request by the Rotary.

Call with questions.

Park St Playground Preliminary Design for Review (complete playground remodel)

Company: **Landscape Structures** via **O'Brien & Sons Inc.**

There company is committed to healthy and sustainable communities. They also are ISO 14001:2004 certified for consistent and continuous environmental stewardship. Landscape Structures is one of the founders of the International Play Equipment Manufacturers Association (IPEMA), an organization that promotes quality and safety for all playground manufacturers. And, as the company describes themselves:

"Additionally, we create play products that encourage children of all abilities to get outside, play together and be healthy. We are focused on taking inclusive play to a higher level by integrating more sensory play on the playground. We also want to give kids the opportunity to play naturally in the outdoors, and are committed to creating nature-inspired commercial playground equipment to encourage it."

Design for review:

(please note this design does not include the fencing, access area gates or the area of grass at the Ash St. end of the playground area)

landscape structures

100 YEARS OF EXCELLENCE

THE PLAY AREA IS DESIGNED IN ACCORDANCE WITH THE ADA AND IS ACCESSIBLE TO ALL CHILDREN WITH PHYSICAL, COGNITIVE OR SENSORY ABILITIES. THE ADA COMPLIANCE SPECIALIST HAS REVIEWED THE DESIGN AND HAS DETERMINED THAT THE PLAY AREA IS ACCESSIBLE TO ALL CHILDREN WITH PHYSICAL, COGNITIVE OR SENSORY ABILITIES. THE ADA COMPLIANCE SPECIALIST HAS REVIEWED THE DESIGN AND HAS DETERMINED THAT THE PLAY AREA IS ACCESSIBLE TO ALL CHILDREN WITH PHYSICAL, COGNITIVE OR SENSORY ABILITIES. THE ADA COMPLIANCE SPECIALIST HAS REVIEWED THE DESIGN AND HAS DETERMINED THAT THE PLAY AREA IS ACCESSIBLE TO ALL CHILDREN WITH PHYSICAL, COGNITIVE OR SENSORY ABILITIES.

EVOS/ADVENTUREScape/SWINGS (AGES 5-12)

TOTAL ELATED PLAY COMPONENTS	0	REQUIRED	0
TOTAL ELATED COMPONENTS ACCESSIBLE BY MAMP	0	REQUIRED	0
TOTAL ELATED COMPONENTS ACCESSIBLE BY TRANSFER	0	REQUIRED	0
TOTAL ACCESSIBLE GROUND LEVEL COMPONENTS SHOWN	20	REQUIRED	2
TOTAL DIFFERENT TYPES OF GROUND LEVEL COMPONENTS	5	REQUIRED	0

PLAYSHAPER/INDEPENDENTS (AGES 2-5)

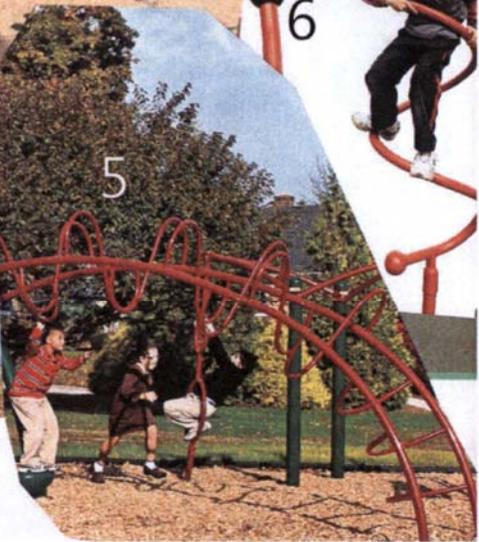
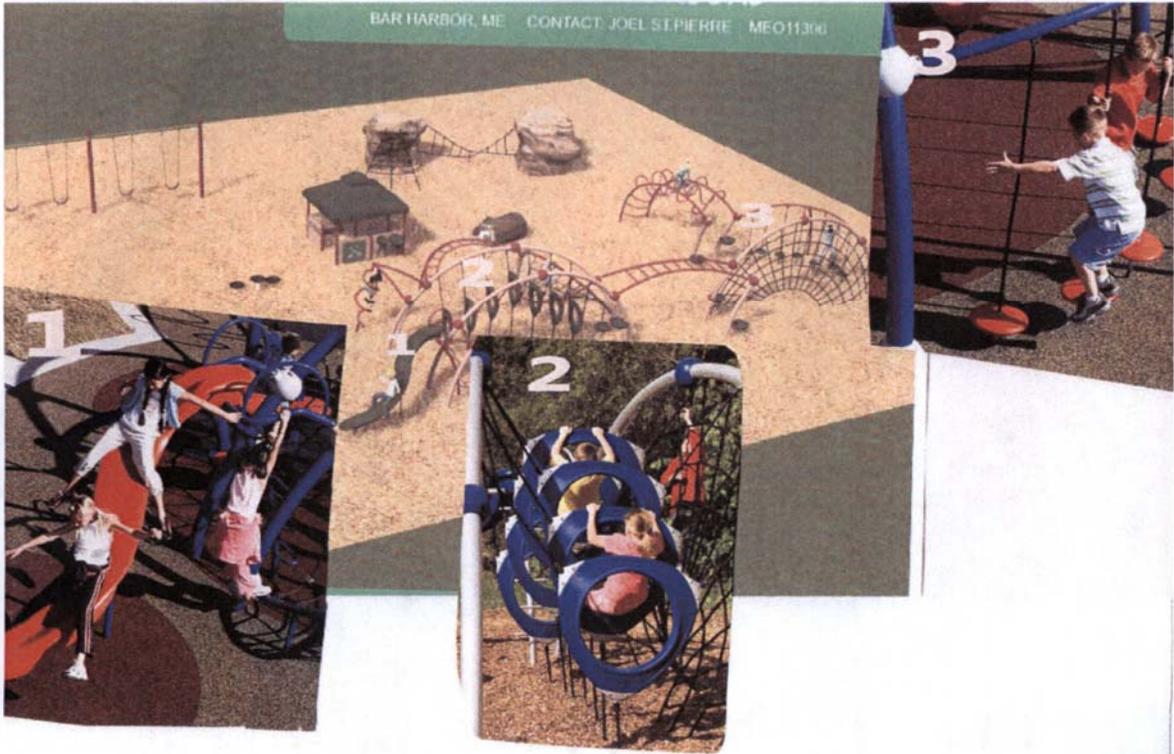
TOTAL ELATED PLAY COMPONENTS	6	REQUIRED	0
TOTAL ELATED COMPONENTS ACCESSIBLE BY MAMP	0	REQUIRED	0
TOTAL ELATED COMPONENTS ACCESSIBLE BY TRANSFER	4	REQUIRED	2
TOTAL ACCESSIBLE GROUND LEVEL COMPONENTS SHOWN	18	REQUIRED	2
TOTAL DIFFERENT TYPES OF GROUND LEVEL COMPONENTS	5	REQUIRED	2

PARK ST. PLAYGROUND
BAR HARBOR, ME

M.E. O'BRIEN & SONS, INC.
JOEL ST PIERRE

OWNER TYPE:
EVOS/PS/IND
OWNER #:
ME011096

BAR HARBOR, ME CONTACT: JOEL ST-PIERRE MEO11306





PARK ST. PLAYGROUND
 BAR HARBOR, ME CONTACT: JOEL ST. PIERRE MEO11396



M.E. O'BRIEN & SONS, INC.
 P.O. Box 650
 93 Wood Street
 Middlefield, MA 02053-0650
 (508) 359-4200
 FAX (508) 359-2817
 800-835-0056
 E-mail: meo@obrienandsons.com
 www.obrienandsons.com



ELEMENTS FOR A GREAT OUTDOORS.™



slr
landscape structures

Quote Sheet

Date:01/20/2016

Rep Organization: M.E. O'BRIEN & SONS, INC. Quote No: MEO16041

By:JRA

Contact Person: JOEL ST.PIERRE

Project Title: PARK ST. PLAYGROUND

Location: BAR HARBOR, ME

PlayShaper® (2-5 years)						
PHASE-1 Direct Bury Aluminum			UNIT		TOTAL	
QTY	NO.	DESCRIPTION	WEIGHT (lb)	PRICE (US \$)	WEIGHT (lb)	PRICE (2016)
PlayShaper® Slides						
1	178768A	Double Swirl Poly Slide 48"Dk DB			176.0	1,835.00
Climbers						
1	185861D	Log Stepper 40"Deck w/2 Recycled Wood-Grain Handholds 1 Handloop and 1 Handrail Right Handhold			1730.0	5,440.00
1	160423A	The Peak Rock Climber DB Only			1068.0	5,815.00
1	185862A	Wood Plank Wiggle Ladder 32"Deck DB			80.0	1,160.00
Enclosures						
1	111288A	Driver Panel Above Deck			47.0	605.00
1	173572A	Marble Panel Above Deck			54.0	1,825.00
1	173586A	Recycled Wood-Grain Lumber Panel Above Deck			65.0	1,005.00
Roofs						
1	211191A	Tree House Roof w/Stack and w/Kids Only sign			302.0	2,825.00
Decks						
4	179349A	Kick Plate 8"Rise	13.0	96.00	52.0	384.00
4	111237A	Square Tenderdeck	102.0	630.00	408.0	2,520.00
1	173585A	Tree Stump Transfer Module 32"Deck DB Only			2875.0	5,025.00
Posts						
4	111397C	106"Post DB	21.0	245.00	84.0	980.00
4	111396B	137"Post For Roof DB	27.0	280.00	108.0	1,120.00
1	111397D	98"Post DB			19.0	240.00

INDEPENDENT CLUBHOUSE PlayShaper® (2-5 years)						
PHASE-1 Direct Bury Aluminum			UNIT		TOTAL	
QTY	NO.	DESCRIPTION	WEIGHT (lb)	PRICE (US \$)	WEIGHT (lb)	PRICE (2016)
PlayShaper® Enclosures						
1	138299A	1 Bench w/1 End Panel			25.0	365.00

Quote Sheet

Date: 01/20/2016

Rep Organization: M.E. O'BRIEN & SONS, INC. Quote No: MEO16041

By: JRA

Contact Person: JOEL ST. PIERRE

Project Title: PARK ST. PLAYGROUND

Location: BAR HARBOR, ME

INDEPENDENT CLUBHOUSE PlayShaper® (2-5 years)						
PHASE-1 Direct Bury Aluminum			UNIT		TOTAL	
QTY	NO.	DESCRIPTION	WEIGHT (lb)	PRICE (US \$)	WEIGHT (lb)	PRICE (2016)
1	111370A	Bead & Block Panel Ground Level w/o Handles			56.0	785.00
1	113211A	Chimes Panel Ground Level			47.0	1,080.00
1	111284A	Hole Panel			23.0	390.00
2	111299A	House Panel Ground Level	30.0	440.00	60.0	880.00
1	111298A	Mirror Panel Ground Level			41.0	805.00
1	164146A	Rock-N-Ring Panel Ground Level			52.0	1,285.00
1	144984A	Storefront Panel			20.0	340.00
Roofs						
1	179239B	Super Square Shingle Roof Poly ¹			210.0	3,040.00
Posts						
5	111397H	69" Post DB	14.0	205.00	70.0	1,025.00
4	111396H	89" Post For Roof DB	18.0	210.00	72.0	840.00

Evos® (5-12 years)						
PHASE-1 Direct Bury Aluminum			UNIT		TOTAL	
QTY	NO.	DESCRIPTION	WEIGHT (lb)	PRICE (US \$)	WEIGHT (lb)	PRICE (2016)
Evos®						
Slides & Gliders						
1	182865A	Rush Slide DB Only			264.0	3,730.00
Climbers						
1	156449A	Helix Net DB Only			165.0	5,330.00
		Between One Arch and One Arch Post				
1	156448A	O-Zone Climber			186.0	7,805.00
1	156462A	RingTangle DB Only ¹			198.0	2,675.00
Overhead Events						
1	156463A	Bow Ladder			143.0	2,500.00
1	160254A	Overhead Trekker DB Only			122.0	1,715.00
Bridges						
1	156450A	Swiggle Stix DB Only ¹			151.0	4,975.00
More Fun						
2	156454A	E-Pod	11.0	255.00	22.0	510.00
1	156452A	Wobble Pod DB Only			122.0	1,240.00
Mainstructures						
1	171627A	Evos 1 Arch w/3 Attach Points DB Only			670.0	11,940.00

Quote Sheet

Date: 01/20/2016

Rep Organization: M.E. O'BRIEN & SONS, INC. Quote No: MEO16041

By: JRA

Contact Person: JOEL ST. PIERRE

Project Title: PARK ST. PLAYGROUND

Location: BAR HARBOR, ME

Evos® (5-12 years)						
PHASE-1 Direct Bury Aluminum			UNIT		TOTAL	
QTY	NO.	DESCRIPTION	WEIGHT (lb)	PRICE (US \$)	WEIGHT (lb)	PRICE (2016)
1	179188A	Evos 2 Arch w/3-5 Attach Points DB Only			815.0	9,400.00
Arch Clamps						
1	156439A	Clamp No Faces (O-O)			0.0	0.00
6	156440A	Clamp One Face (A-A)			0.0	0.00
2	157585A	Clamp One Face (O-E)			0.0	0.00
1	156442A	Clamp Two Faces 180* (C-C)			0.0	0.00
1	157586A	Clamp Two Faces 180* (E-E)			0.0	0.00
1	156441A	Clamp Two Faces 90* (A-B)			0.0	0.00
Freestanding Play Climbers						
1	168369A	AdventureScapes Design 6 DB Only ¹			8760.0	48,780.00
3	173907A	Log Stepper 8"Height DB Only	155.5	600.00	466.5	1,800.00
1	171570A	Mushroom Stepper 16"Height DB Only			127.0	785.00
2	171568A	Mushroom Stepper 8"Height DB Only	127.0	785.00	254.0	1,570.00
1	160419A	The Stepper Rock Climber DB Only			1150.0	2,680.00
More Fun						
1	173594A	Log Crawl Tunnel DB Only			2000.0	5,300.00
Swings						
4	174018A	Belt Seat ProGuard Chains for 8' Beam Height	8.0	105.00	32.0	420.00
2	176038A	Full Bucket Seat ProGuard Chains for 8' Beam Height	14.0	255.00	28.0	510.00
1	177332A	Single Post Swing Frame 8' Beam Height Only			213.0	1,085.00
2	177333A	Single Post Swing Frame Additional Bay 8' Beam Height Only	129.0	815.00	258.0	1,630.00
Sports & Fitness						
1	173596A	Log Balance Beam DB ¹			336.0	2,955.00

SUMMARY	CONCRETE (cu-ft)	FOOTINGS (count)	LABOR (man-hours)	WEIGHT (lb)	PRICE (2016)
PlayShaper® (2-5 years) PHASE-1	29.6	20	29.8	7,068.0	30,779.00
INDEPENDENT CLUBHOUSE PlayShaper® (2-5 years) PHASE-1	13.5	9	10.8	676.0	10,835.00
Evos® (5-12 years) PHASE-1	217.2	66	69.8	16,482.5	119,335.00
ALL PHASES PlayShaper®	43.1	29	40.5	7,744.0	41,614.00

This quote was generated from PlayCAD.

Quote Sheet

Date:01/20/2016

Rep Organization: M.E. O'BRIEN & SONS, INC. Quote No: MEO16041

By:JRA

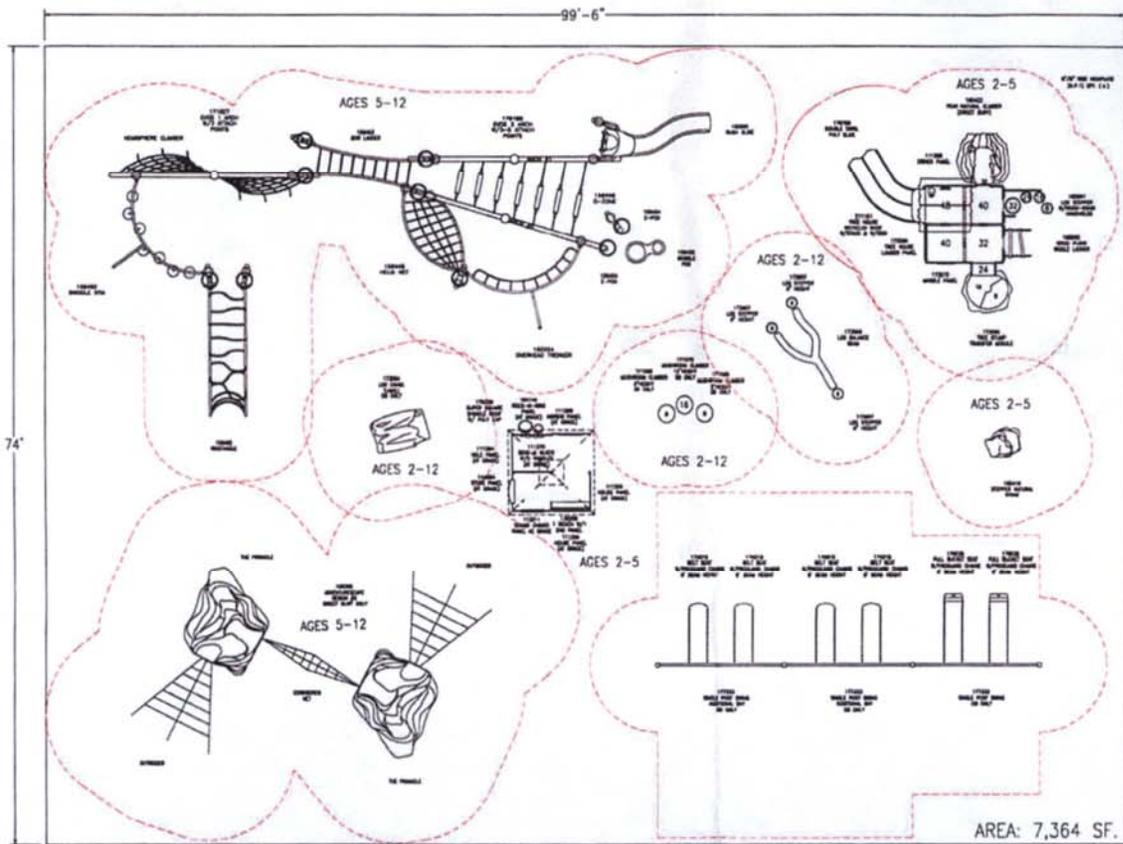
Contact Person: JOEL ST.PIERRE

Project Title: PARK ST. PLAYGROUND

Location: BAR HARBOR, ME

Evos®	86.9	43	32.5	2,858.0	51,820.00
Freestanding Play	130.3	23	37.3	13,624.5	67,515.00
Total	260.2	95	110.3	24,226.5	160,949.00

- Total Safety Zone Square Footage = 632 sq ft
- Square Footage calculation is approximate and for estimation purposes only. Landscape Structures shall not be held liable for any costs associated with surfacing by others.
- Estimated Man-Hours do not include site preparation.
- ¹ This Quote has a total weight above 5,000 lbs or product(s) that require a freight quote. Freight tables cannot be used - Please contact LSI for a freight quote. For SkyWays Shade structures, refer to installation instructions for footing specifications.
- This quote is valid for 90 days. Purchase orders submitted with an expired quote are subject to price changes. Custom freight quotes are valid for 30. Expired custom freight quotes are subject to changes.



The play components identified on this plan are IPWMA certified. Unless noted number is drawn with (1) The user and signal of these components conform to the requirements of ASTM F1487. To verify product certification, visit www.ipwma.org

THIS PLAY AREA & PLAY EQUIPMENT IS DESIGNED FOR AGES 2-12 YEARS UNLESS OTHERWISE NOTED ON PLAN.

IT IS THE MANUFACTURER'S OPINION THAT THIS PLAY AREA DOES CONFORM TO THE ADA ACCESSIBILITY STANDARDS, ASSUMING AN ACCESSIBLE PROTECTIVE SURFACING IS PROVIDED, AS INDICATED, ON WITHIN THE ENTIRE USE ZONE.

THIS CONCEPTUAL PLAN WAS BASED ON INFORMATION AVAILABLE TO US PRIOR TO CONSTRUCTION. DETAILED SITE INFORMATION INCLUDING SITE DIMENSIONS, TOPOGRAPHY, EXISTING UTILITIES, SOIL CONDITIONS, AND DRAINAGE SOLUTIONS SHOULD BE OBTAINED, EVALUATED, & UTILIZED IN THE FINAL DESIGN. PLEASE VERIFY ALL DIMENSIONS OF PLAY AREA, SIZE, GRADE/SLOPE, AND LOCATION OF ALL EXISTING UTILITIES, EQUIPMENT, AND SITE FURNISHINGS PRIOR TO INSTALLING. SLICES SHOULD NOT FACE THE HOT AFTERNOON SUN.

CHOOSE A PROTECTIVE SURFACING MATERIAL THAT HAS A CRITICAL HEIGHT VALUE TO MEET THE MAXIMUM FALL HEIGHT FOR THE EQUIPMENT (NOT ADA F1487 STANDARD COMPLIANT SAFETY PERFORMANCE SPECIFICATION FOR PERFORMANCE EQUIPMENT FOR PUBLIC USE, SECTION 8.1.4.1) UNLESS THE SURFACING MUST BE WELL DRAINED. IF THE SOIL DOES NOT DRAIN NATURALLY IT MUST BE FLEED OR SLOPED 1/8" TO 1/4" PER FOOT TO A STORM SEWER OR A TRENCH DRAIN.

IT IS THE MANUFACTURER'S OPINION AND INTENT THAT THE LAYOUT OF THESE COMPONENTS CONFORM WITH THE U.S. CONSUMER PRODUCT SAFETY COMMISSION'S (CPSC) "HANDBOOK FOR PUBLIC PLAYGROUND SAFETY."

DESIGNED BY:

JRA

Copyright: 1.30.2018
LANDSCAPE STRUCTURES, INC.
400 W. STREET SUITE 4 - P.O. BOX 100
SEASIDE, MASSACHUSETTS 01920
PH 1-800-328-9633 FAX 1-508-815-8041

Date Previous Drawing # Index

EVOS/ADVENTUREScape/SWINGS (AGES 5-12)

TOTAL ELEVATED PLAY COMPONENTS	0	REQUIRED	0
TOTAL ELEVATED COMPONENTS ACCESSIBLE BY RAMP	0	REQUIRED	0
TOTAL ELEVATED COMPONENTS ACCESSIBLE BY TRANSFER	0	REQUIRED	0
TOTAL ACCESSIBLE GROUND LEVEL COMPONENTS SHOWN	20	REQUIRED	0
TOTAL DIFFERENT TYPES OF GROUND LEVEL COMPONENTS	5	REQUIRED	5

PLAYSHAPER/INDEPENDENTS (AGES 2-5)

TOTAL ELEVATED PLAY COMPONENTS	6	REQUIRED	0
TOTAL ELEVATED COMPONENTS ACCESSIBLE BY RAMP	0	REQUIRED	0
TOTAL ELEVATED COMPONENTS ACCESSIBLE BY TRANSFER	6	REQUIRED	3
TOTAL ACCESSIBLE GROUND LEVEL COMPONENTS SHOWN	18	REQUIRED	2
TOTAL DIFFERENT TYPES OF GROUND LEVEL COMPONENTS	5	REQUIRED	2



83 West Street
PO Box 800
Northfield, NH 02053-0800
Phone 508-228-4200
Fax 508-358-1817

PARK ST. PLAYGROUND
BAR HARBOR, ME

M.E. O'BRIEN & SONS, INC.
JOEL ST. PIERRE

SYSTEM TYPE:
EVOS/PS/IND
DRAWING #:
ME016041





Allenfarm Fence Company, inc.
 18 Autocar Lane
 Hermon, ME 04401

Estimate

DATE	ESTIMATE NO.
11/3/2016	27225

NAME / ADDRESS
Park Street Playground C/O Bar Harbor Rotary PO Box 701 Bar Harbor, ME 04609

REP	SPJ
-----	-----

ITEM	DESCRIPTION	QTY	U/M	TOTAL
WSPF2x3x8	2x3x8 spruce backers	80		640.01T
WSPA-3WI	WOOD TO STEEL ADAPTER 2-1/2"	160		729.60T
SPASCREW#12x1...	#12 hex head screw 1-1/4" for SPA	320		30.72T
laborW	Labor to install backers and provided pickets	60		3,600.00
Gate	*****GATE & HARDWARE*****	3		900.00T
Travel	2 men in a truck travel	300	MI	1,116.00
	WORK TO BE PERFORMED INSTALLING SPRUCE BACKERS TO EXISTING STEEL POSTS. AND INSTALLING PROVIDED PICKETS TO BACKERS. ANY POST THAT NEEDS TO BE REPLACE WILL BE AT A COST OF \$100.00 PER POST			
	sales tax			126.52

TOTAL	\$7,142.85
--------------	-------------------

SIGNATURE _____

Phone #	Fax #	E-mail	Web Site
207-848-0770	207-848-0779	sales@allenfarmfence.com	www.allenfarmfence.com

November 4, 2016

Mr. Chip Reeves
Director of Public Works
Bar Harbor Public Works Department
50 Public Works Way
Bar Harbor ME, 04609

Dear Mr. Reeves,

I'm writing on behalf of the Park Street Community Playground Project. The project, started in 2011, has recently been taken over by the Bar Harbor (MDI) Rotary Club. The club has committed to see this project to fruition and several members have stepped up to take the lead and get this project done.

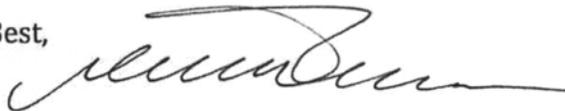
Currently the project has raised just over \$52,000. We are ramping up fundraising efforts but will need help from the town of Bar Harbor to complete this project on schedule. The plan is to break ground in the spring of 2017 and hopefully complete the entire project, but we will work in phases if necessary. The phase approach is not ideal as it will likely result in additional costs which have not been budgeted for due to multiple site visits from the equipment vendor.

Please find below the breakdown of estimated costs for the project.

Line Item	Estimated/Quoted cost
Playground equipment (landscape structures via O'Brien & Sons Inc.)	\$160,949.00
Concrete and labor for footings	\$5,000.00
Fencing costs (not inclusive of pickets)	\$7,143.00
Fence picket cost (for three sides of fence)	\$5,326.00
Total:	\$178,418.00

The playground committee would like to formally request that the Town of Bar Harbor contribute one third of the total estimated budget for this project: \$59,472.00. In addition, if the town could provide 10 municipal benches that would be ideal as the cost from the equipment vendor is rather high and the company suggested we source these elsewhere.

Best,



Jenna Horton

The Park Street Community playground project



“Rebuilding a Playground Builds Community”

The Park Street Community Playground Project in association with the Mount Desert Island YMCA would like the approval of the Bar Harbor Town Council to raise funds for a complete remodel of the town playground located on Park Street in Bar Harbor. Funds for remodel would be obtained through fundraising efforts and grant proposals.

It has been 25 years since the Park Street Playground was built by the community and is now showing major signs of aging and wear, which increases the need for additional maintenance and safety concerns. Both of the issues will continue to grow until the equipment is replaced.

Safety:

To ensure the safety of children the current equipment, tables and benches would need to be removed and new equipment would be obtained from a manufacturer that follows established safety and accessibility standards as designated by the Consumer Products Safety Commission.

Current Safety Concerns/Hazards:

- visible rusting of equipment
- cracked wood
- broken equipment
- chipped paint

Benefits of Playground Remodel:

- Safe play environment for children from 2-12 years of age
- Regular maintenance would be less expensive for town
- Health/Developmental benefits for children

Budget:

\$120,000 - \$150,000 would be raised for new equipment, fencing and tables/benches. The Consumer Products Safety Commission recommends separate play areas for preschoolers from ages 2 to 5 and school-age children between ages 5 and 12. As a rule of thumb, 40 percent of the equipment budget and space should be allocated to preschoolers and 60 percent to school-age children.

Usage of Playground:

The Park Street Playground is used by area families, the MDI YMCA, and local daycare providers. In the summer months the playground is also visited by tourists to the area.

Playground Usage Figures:

- **MDI YMCA:** 93 children between two programs
 - Preschool: 22
 - Afterschool Program: 21
 - Summer Program: 50
- **Local Area Daycare Providers:** 24-30 children between 3 daycares
 - Donna Burton
 - Tammy Dow
 - Cindy Walls
- **Family Usage**
 - CENSUS DATA - 10% growth from 2000-2010 Census**
 - **2000 CENSUS Data**
 - 2680 people
 - 1241 households
 - 568 families in the Census-designated place
 - **2010 CENSUS Data**
 - 2963 people
 - 1357 households
 - 624 families in the Census-designated place

Group Goals:

- Obtain Approval from Bar Harbor Town Council to move forward with project and fundraising
- Set up non-profit account to house funds through fiduciary (YMCA or Town of Bar Harbor)
- Begin Fundraising & writing grant proposals
- Select Equipment
- Playground Design - with review from Parks & Recreation Department/Public Works
- Continued Fundraising & Grant Proposals Until Monetary Goal Reached
- Community Build of Playground

Patricia Gray

From: Martha Searchfield <martha@barharborinfo.com>
Sent: Tuesday, November 15, 2016 3:31 PM
To: Pat Gray; Paul Paradis
Subject: Council Agenda

Hi,
Would it be possible to get on the next council chamber agenda to present the results of the Chamber of Commerce "Your View of Bar Harbor" survey from election day?
Thanks
Martha

Martha Searchfield
Executive Director
Bar Harbor Chamber of Commerce
207.801.2566 x11
martha@barharborinfo.com



Chamber Survey Results- November 8, 2016

Question 1

I believe that Bar Harbor has a problem with housing availability for seasonal workers.

Responses

Agree	397
Disagree	19
Neutral	50

Question 2

I believe that Bar Harbor has a problem with housing availability in general.

Responses Counts

Agree	392
Disagree	16
Neutral	54

Question 3

I support a parking garage as one part of a solution to the seasonal parking problem.

Responses Counts

Agree	185
Disagree	158
Neutral	116

Question 4

I support the conversion of the former Bar Harbor Ferry terminal on Eden Street to a cruise ship and transportation hub.

Responses Counts

Agree	275
Disagree	97
Neutral	93

Question 5

I believe Cottage Street should be a one way street.

Responses Counts

Agree	72
Disagree	259
Neutral	132

Question 6

Seasonal parking meters are a good idea to generate revenue for seasonal parking solutions.

Responses Counts

Agree	150
Disagree	192
Neutral	121

Question 7

Bar Harbor should change its waste management system to increase recycling.

Responses Counts

Agree	372
Disagree	32
Neutral	61

Question 8

I perceive tourism to be the largest economic driver of our community.

Responses Counts

Agree	370
Disagree	36
Neutral	60

Question 9

I am concerned for the future economic stability of the town of Bar Harbor.

Responses Counts

Agree	215
Disagree	94
Neutral	154

Question 10

Bar Harbor should find ways to promote a year round economy.

Responses Counts

Agree	372
Disagree	13
Neutral	79

Question 11

I support bringing a Trader Joes to Bangor.

Responses Counts

Agree	265
Disagree	52
Neutral	149

Question 12

I am concerned that the next generation of Bar Harbor cannot afford to live here.

Responses Counts Proportion

Agree	401
Disagree	17
Neutral	51

Question 13

I am concerned that the next generation of Bar Harbor cannot afford to start a business here.

Responses Counts

Agree	317
Disagree	34
Neutral	101

Question 14

I support a consolidated Island Middle School.

Responses Counts

Agree	159
Disagree	83
Neutral	207

Question 15

I support merging the police from each town into an island-wide department.

Responses Counts

Agree	193
Disagree	101
Neutral	153

Question 16

I support merging the fire department from each town into an island-wide department.

Responses Counts

Agree	158
Disagree	130
Neutral	162

Question 17

I support a winter festival to promote off season visitation.

Responses Counts

Agree	340
Disagree	29
Neutral	85

Question 18

I support changing the structure of our current town government to a city council model.

Responses Counts

Agree	112
Disagree	54
Neutral	276

To: Members of the Bar Harbor Town Council
From: Ron Beard, facilitator, Parking Solutions Task Force
Date: November 30, 2016
RE: Draft Report on implementation of a parking program

Attached please find a draft report for your review, in preparation for you to hear from and ask questions of members of the Task Force at your regular meeting on December 6th.

As you know, projections by Desman Associates, consultants to the town, indicate that in 2016, as many as 100 cars circulated through town during the height of the summer-early fall season, failing to find parking spots. Our work as a task force has been based on the recommendations of the consultant, aiming to shift current parking patterns in order to free up spaces for visitors in the heart of the commercial district. A permit system will encourage employees and residents to take advantage of parking on adjacent streets. Revenues from metered and kiosk parking would build a fund that the town can use to make further improvements to our streets, for the benefit of residents, employees and visitors with automobiles, and those who walk or cycle or use shuttle bus services so that we need fewer new parking spaces.

As you know (some of you were there), the Task Force held a meeting for public comment on Monday, November 28th in the auditorium of the municipal building. Those attending represented a reasonably good cross-section of the community. Task Force members Sherry Rasmussen and Jill Goldthwait took extensive notes, capturing both questions seeking to clarify elements of the draft and suggestions for improvement. The task force has also had written comments from stakeholders.

When the Task Force meets on December 5th, they will review notes and comments, and address two key immediate concerns:

- How do we implement an equitable permit system for all who reside in our town, and for those who are employed in seasonal businesses in the commercial district?
- How do we handle B&B guests who do not have off-street parking (some B&B's operate without providing all required off-street spaces)?

Other public concerns included the fee structure for paid parking, the timeline for work on parking solutions, how these recommendations fit into a larger vision for the town, and alternative strategies for addressing the parking issue.

We will share any updates to the report and recommendations, and look forward to meeting with you on December 6th.

Parking Solutions Task Force* – Draft Report

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<i>Introduction and Background</i>	<i>2</i>
<i>Overall Rationale for a Parking Program</i>	<i>4</i>
<i>Task Force Recommendations</i>	<i>6</i>
<i>Suggestions to improve success of proposed parking program</i>	<i>7</i>
<i>Further steps for consideration (satellite parking, increased frequency of Island Explorer service along Route 3 and concurrent development of streetscapes, development of additional parking for employees)</i>	<i>8</i>
<i>Appendix A—Frequently Asked Questions/answers</i>	<i>10</i>
<i>Appendix B—Criteria from Backyard Parking Advisory Committee (2012)</i>	<i>13</i>

*Members of Parking Solutions Task Force:

Mary Booher, Dick Cough, Erin Early-Ward, Jill Goldthwait, Matt Hochman, Liz Kase, John Kelly, Sherry Rasmussen, Eben Salvatore and Martha Searchfield

Introduction and background

Concerns about seasonal parking in the commercial downtown of Bar Harbor have been the subject of several advisory processes, including 2002 recommendations by the town's parking committee, recommendations of a 2004 Transportation Task Force, and a 2012 Economic Development Task Force.

In 2012, the Bar Harbor Town Council created the Back Yard Parking Advisory Committee to look at perceived congestion and parking problems in Bar Harbor, and to explore the possibility of a public-private partnership to construct a parking garage in the vicinity of the town-owned Back Yard Parking Lot, behind the Criterion Theater, between Main Street and Rodick Street.

The committee held a public meeting in May, 2012, gathering questions, suggestions and comment that led to a list of ten criteria should be met if such a project were to be successful (see Appendix B). At the same time, committee members felt they did not have the expertise to quantify parking needs, or to determine the size and financial feasibility for operating a parking garage.

The committee drafted a "request for proposals" that was issued by the Town and led, in June 2013, to a contract with Bermello Ajamil and Partners, including DESMAN Associates, for a four-phase study to look at the proposed site for a parking garage, to determine current and projected parking demand, and to determine the financial feasibility for constructing and operating a parking garage to address parking demand.

Bermello Ajamil and Partners submitted a report in November of 2014 covering the first three phases of work, and sought Town approval to proceed with financial modeling, which was authorized. Work on the financial modeling began in early 2015, and the consultants presented preliminary findings in a public "open house" in November of that year. After incorporating public comments, Bermello Ajamil and Partners submitted their final report to the town early in 2016.

Consultant's Report

<http://www.barharbormaine.gov/402/Parking-Garage-Presentations>

Consultant's FAQ's, and final recommendations:

<http://www.barharbormaine.gov/DocumentCenter/View/1767>

The integrated parking program outlined by the consultants included:

- Paid parking (meters) on Cottage, Main, Mount Desert and West Streets
- Paid parking (kiosks) in publically owned lots
- Permit parking on certain down-town streets and in residential areas
- Establishment of a parking fund, both to pay for early investments (improvements, parking meters/kiosks and enforcement) and to build a reserve for financing possible future capital expenditures for a parking garage.
- Later consideration of constructing a 412 bay parking garage (including 100 spaces paid for by Ocean Properties to accommodate West Street Hotel patrons and employees) constructed in the vicinity of the town owned Back Yard Parking Lot and land owned by Ocean Properties.

The Council asked members of the Back Yard Parking Advisory Committee to consider continuing their work as a task force to recommend how best to implement the recommendations outlined in the consultant's report. Some members agreed to continue, others applied, and the Council appointed a new Parking Solutions Task Force, which began meeting in August of 2016 and twice each month through the autumn.

Overall rationale for a parking program

Implementation of a parking program is part of an overall strategy to reduce traffic and congestion for the benefit of residents, business-owners, employees and visitors to the town of Bar Harbor.

Parking on public streets and in town-owned parking lots is a key asset to the quality of life and convenience of residents and visitors. It is also a public asset supporting all manner of commercial enterprise, assuring that customers find it convenient to shop or to visit firms providing services, and that employees are accommodated during working hours.

At one time, the zoning ordinances of the Town of Bar Harbor required that each application for new commercial construction or change of a property to a commercial use would require provision of off-street parking appropriate to the activity. As commercial business grew, so the theory went, commercially provided off-street parking would also grow.

Saying that the existing ordinances were stifling economic growth, business interests proposed eliminating the requirement for off-street parking for all businesses except lodging establishments. That change, adopted as part of the zoning ordinance in 2010, also allowed existing bed and breakfast establishments to operate without providing additional off-street parking, meaning some customers of bed and breakfasts parked on public streets.

Over the intervening years, the number of visitors to the town of Bar Harbor and Acadia National Park has grown. Some of those added visitors come by cruise ships and do not need parking. Some visitors pay for parking in privately owned lots. Other visitors stay in hotels or campgrounds, where off-street parking is provided.

Also in the intervening years, spurred by local, island-wide interest and Acadia National Park, and funded from sale of park visitor passes, town, state, federal and private sources, the ***Island Explorer*** bus system provides service for visitors and employees alike. Operated by Downeast Transportation, this “free to the rider” bus service connects from lodging and campgrounds, to the commercial center of Bar Harbor and destinations in the national park. It is estimated that use of the ***Island Explorer*** reduces parking demand in Bar Harbor by 250 spaces, as visitors leave their vehicles parked at hotels and campgrounds.

Over the years, free, on-street parking in the downtown sections of town have filled up in July, August and September. Based on projections of the parking studies in 2013 and 2014, as many as 100 cars were cruising the town in peak times of August and September, 2016, looking for parking spaces, finding them filled and therefore venturing further into residential sections of town to find parking. Employees are also taking full advantage of free on-street parking, moving their cars every two

hours to avoid tickets, or using streets where there is no time limit indicated. Both visitors and employees routinely exceed allowed times, as a \$15 fine is seen as an acceptable cost for parking. Many fines are routinely not paid.

Paying for parking may seem like a big change for Bar Harbor. However, most crowded towns and cities the world over, where seasonal tourism is an important component in the local economy, include paid parking as a way to relieve local property tax payers of some of the burden for providing services to growing numbers of visitors.

The rationale for paid parking, along with a corresponding permit system for employees and residents is an attempt to allocate among many users a scarce public resource. Using incentives and disincentives, paid on-street parking or in public parking lots would generally go to visitors, while employees and residents would make use of less expensive permits in areas outside of the commercial district.

It is not a forgone conclusion that the Town of Bar Harbor will construct a parking garage at the very heart of the commercial sector, but with the Back Yard lot, it does have that opportunity. Should the town decide to take that step in the future, the recommended parking program would provide the financial resources for doing so without cost to the property tax payers of the town.

Task Force Recommendations

Seasonal paid parking via kiosks in eight public parking lots and **204 meters on streets in the commercial districts**, including:

- along the length of Cottage Street (both sides, totaling 143 spaces),
- both sides of West Street to Holland Ave, then metered parking on North Side to Eden Street (employee permit parking on South Side of West Street from Holland to Eden Street) (totaling 92 metered spaces)
- along Main Street to Park Street, (both sides, and including RV Parking along the ball field, totaling 137 spaces) and
- along Mt. Desert Street, both sides in town, and on the right side of the street leaving town, from Kennebec Place to High Street, totaling 35 spaces
- along Firefly Lane (totaling 5 spaces)

Seasonal On- Street Permit parking for residents and employees on all other streets in the three Downtown Commercial zones, **including Roberts, Kennebec and High Streets**. **Based on public input, additional streets (Spring, School and Ledgelawn) may be considered for employee and resident permit parking. Non-resident business owners would be able to receive “employee” permits.**

Seasonal On-street Permit parking for “residents only” on all streets outside of the three Downtown Commercial Zones and those listed above

Designation of Free parking spots for 15 minutes at Post Office, Town Office or other key locations

Consideration of the “Ferry Terminal” as satellite lot for employee parking by permit, and negotiation for service by Island Explorer

Establishment of a Parking fund

A parking fund would cover the cost of equipment purchase, maintenance, enforcement and investment in facilities (including reserves for possible financing of a parking garage should the town decide such a facility is needed).

Similar to the Cruise Ship Fund, Council policy would outline the range of other possible expenditures from this fund, and relevant procedures.

The Town has drafted a proforma (projection) to estimate the amount of revenue and expenses for the proposed parking program. After paying for the cost of the meters and kiosks, and including the annual cost of enforcement, etc, the parking fund would grow by around \$500,000 per year.

Suggestions to improve success of proposed parking program

Education

Changes like those envisioned in the proposed parking program are difficult for residents, business owners, employees and visitors. A comprehensive education program to provide public sessions, backed up by good information on the town website will help. The Chamber of Commerce, the Hub of Bar Harbor and the Rotary Club could assist with public education.

Appropriate signage will help orient visitors, employees and residents to the new parking program.

Enforcement, Fines and Collection

With adequate staffing, funded by the parking program, the Town should be able to assure that the proposed parking program works effectively, freeing up on-street metered parking in the downtown commercial districts and public parking lots for visitors and customers, while providing access to other, non-metered spaces on adjacent streets and those in the residential areas of town.

A rule of thumb provided by DESMAN Associates suggests that fines be three times greater than the associated parking fee. If 8 hours of paid parking in premium areas is \$16, then the fines would appropriately be in the vicinity of \$50. Nothing says enforcement like towing. Seeing a car towed does wonders for the clarity to follow the ordinances.

Further steps for consideration (satellite parking, increased frequency of Island Explorer service along Route 3 and concurrent development of streetscapes, development of additional parking for employees)

The task force, like the consultants and the earlier advisory committee, heard from many stakeholders that they would like to see ***consideration of satellite parking*** areas for use by employees. By making these satellite lots “free”, with the other options having a defined cost, employees are more apt to use such lots, especially when there is access to the Island Explorer. Currently, 20% of Island Explorer riders are estimated to be “local”, with maybe half that number being employees.

There are limited publically owned possibilities for “satellite lots” to be designated for employees. If the proposal for ownership or lease to the Town of Bar Harbor of the former ferry terminal goes through, that could serve as a satellite lot.

Should the Acadia Visitor Welcome Center in Trenton be completed, there would be an additional 350 free public spaces that could be used by visitors or employees, who then use the Island Explorer to travel to Bar Harbor. There are currently some 100 spaces available at the site of the Island Explorer bus maintenance facility on the Trenton site.

The current Acadia National Park visitor center has space for 280 vehicles. There has been informal conversation within Acadia staff of building an upper deck for that lot, potentially adding another 250 spaces served by the Island Explorer.

With additional funding from employers and the town of Bar Harbor, it might be possible for Downeast Transportation to add some express commuter runs serving those lots.

Increasing the frequency of bus service along Route 3, serving hotels and campgrounds could also slow the demand for in-town parking. If there are currently about 250 cars parked at hotels or campgrounds, and doubling the frequency of service results in a 30% increase in ridership, such an increase in service might forestall the need for 75 parking spaces in town Bar Harbor.

The current budget of \$2 million for the Island Explorer comes from a variety of sources, including from hotels with “front door” service, and from the Town of Bar Harbor. Downeast Transportation will increase the number of busses in service from 28 to 33 in the next several years. The town and local businesses could, conceivably, increase annual contributions to the Island Explorer to pay for increased frequency along Route 3.

But money isn't the necessarily the most critical barrier to expanded service. Downeast Transportation indicates that the current demand for qualified bus drivers exceeds the supply. Island Explorer service was curtailed earlier than planned in the fall of 2016 due to the lack of drivers.

Should there be interest and opportunity, the Town and local businesses could explore other opportunities for "satellite parking" with attendant cost of acquisition and improvement, leaving open the question of whether those expenditures come from property taxes, partnership with business or the parking fund.

Concurrent development of street-scapes will allow the town to assure that parking spaces, along with meters and kiosks, are laid out to provide maximum efficiency, convenience, safety and aesthetics. Current efforts to look at improving Cottage Street, and the work of the Aging-in-Place Task Force should result in priorities for the town's capital improvement program. In some rare instances, a case might be made for eliminating select on-street parking spaces to enhance other public benefit (handicapped access, aesthetics, etc.) The town should work with these collaborative planning efforts, in partnership with the Bar Harbor Chamber of Commerce, the Hub of Bar Harbor and others, to encourage appropriate alternatives to the use of private automobiles, including walking and biking, and supported by installation of bike-racks and shelters, benches, landscape plantings, lighting and other amenities.

Beyond establishment of an employee permit system in the commercial district, **development of additional parking for employees** could be undertaken in partnership with local businesses who most stand to benefit from providing such parking. Recalling that one of the over-riding concerns for a parking program is that such solutions not add to the property tax burden on residents and businesses, some form of public-private partnership is essential.

A suggestion was considered to make temporary use of the land occupied by the former town garage for employee parking. That property is in the Village Residential District, which does not allow parking lots. According to the town's planner, it would be an uphill battle to propose parking lots in that district.

Appendix A. DRAFT Frequently Asked Questions

1. What is the seasonal time-frame envisioned for paid parking in Bar Harbor?
Based on current levels of congestion, paid parking would *likely be set up and enforced, Mid May to October 31st 8 am to 8 pm, 7 days/wk*
2. Will parking lot kiosks or meters take up a parking space. *It is not our intent to use a space for the kiosk. One parking meter can now service 2 spaces, so there will be less of them and they are more attractive than the coin meters of old. New meters and kiosks will accept credit cards, coins and Apple Pay, Google Wallet as well as discounted parking cards issued by the town.*
3. The B&B's are concerned about where their customers will park. They feel it will drive away business if their guests cannot park on the street. Even if they have off street parking, there would be the odd person who is not willing to give their keys to the Innkeeper. Can Roberts and potentially High Street, have different parking designation OR can B&B's be granted special hangtags for their guest? *B & B's by ordinance are supposed to provide parking for their guest, they should acquire/lease space to meet the ordinance requirements.*
4. People from out of town who visit an in-town resident will have no place to park, if the side streets are designated resident only. Where are family and friends of downtown residents supposed to park when visiting? Can in-town residents get special hangtags for non-residents? *It is anticipated that one permit per building plus one hang tag for guests would be issued to residents*
5. Will the price of the seasonal meters and lots be an additional burden to out of town residents to the point they will not want to come into town? *The parking fees will be no more of a burden than the many cities and towns across the country that have metered parking.*
6. Will Bar Harbor residents, who live out of the downtown, fill up the residential side streets so the people on the street won't have a place to park? How will we address this situation if it does happen? *A permit will be needed to park on many streets in the downtown area. As the program is implemented, it is understood that future adjustment may be necessary.*
7. What will be the price of residential and employee stickers? People already pay taxes; they shouldn't have to pay more. *The cost would cover the sticker and personnel time to issue it, perhaps \$10 per sticker. Many cities charge more. This price is equivalent to 5 hours at a parking meter on the town pier.*
8. Will residential parking sticker create a traffic back-up on the narrow residential side streets? *We don't anticipate that problem but the Task Force will monitor the program and recommend adjustments to the Council as needed.*

9. Could there be a discounted seasonal parking card people could purchase? *Yes, the town could issue discounted pre-paid parking cards to residents and employees*
10. Will people be allowed to keep feeding the meters all day? *Although the goal is to have turnover of spaces, we have not decided yet against feeding the meter. If after implementation the turnover is too low, the town could make that change.*
11. What are the overnight restrictions at the meters and in the paid lots? *Per current ordinance, vehicles have to be moved in the lots every 72 hours yet.*
12. Will residential stickers be enforced overnight? *Residential permits would allow parking in those areas 24-hours per day... others may park in those areas without residential permits at night (8 pm to 8 am)*
13. Where will employees who have to work the late shift park, if resident parking areas end at 8 pm? *Neither permit or metered parking in force between 8 PM and 8 AM*
14. Satellite parking. Has it been thoroughly examined? Is the Ferry Terminal an option and if not, why not? *The Ferry Terminal may be an option but the Town does not own it yet, it is still owned by the Canadian Government. Current satellite lots are Hulls Cove visitor center and the Gateway Center in Trenton. Further conversation with Downeast Transportation could result in a limited number of “express” runs to serve employees from these free parking areas.*
15. Enforcement of permit parking – Will there be towing of cars in residential areas, so they don't sit there all day? *Permits in residential areas would allow for full day and all night parking. By current ordinance, cars which are parked in one spot for more than 72 hours could be towed.*
16. How much will the tickets cost? *Parking tickets currently cost \$15 but recommendations by the consultants (Desman Associates) suggest that fine should be 3 times greater than the associated parking fees—If 8 hours of paid parking were \$16, then fines would be in the range of \$50 per violation.*
17. How can the town get out of the town people to pay their fines? What is the system for SWH or Florida residents to have to pay the parking tickets? *The town is looking at a more integrated software system to work with the parking ticket program so collection is less labor intensive. Unpaid tickets will be sent to a collection agency.*

18. How will residential parking sticker be enforced? *By parking attendants (town employees).*
19. Will more and closer parking be available for people with disabilities? *There will be metered handicapped spaces available in all parking lots and 2 spaces on Cottage Street at the Criterion Theater and 2 at the Municipal Building.*
20. Alternative transportation options for people who leave their cars at their hotels. *The Island Explorer is increasing the total number of buses from 28 to 33 to meet the increased demand. The new multi-use lane on Rt. 3 will accommodate bikes and larger sidewalks will help with the flow of pedestrian traffic.*
21. Why shouldn't locals be allowed to park free anywhere in town? *The goal of the parking program is to have turnover of spaces throughout the day as well as get a return on a town asset (parking spaces) to pay for the program. Fees for parking might also reduce the number of cars in the downtown since there would now be an incentive to leave a vehicle at the hotel, home or in a lot. A discounted parking card would provide a benefit to residents and keep the spaces moving. The parking program is not paid for through property taxes. Some revenue could be used for improvements to the downtown parking areas that would normally have come from the property tax.*
22. Which parking lots will allow long-term parking? *No lots in the downtown area would provide long-term parking in the season (late May through October) Per current ordinance, cars may be towed after 72 hours (on street or in public lots)*
23. How much revenue will this program generate? *The town has developed a "pro forma" or projection of parking program income and expenses. After the meters and kiosks are paid off by year 2, the annual income, after all parking related expenses, is projected to be at least \$500,000 per year.*
24. Why aren't kiosks proposed throughout streets designated for paid parking? *The meters under consideration appear to have less impact on pedestrian flow on our narrow sidewalks and have less visual impact than kiosks.*

Appendix B. Criteria for successful Parking Garage Project

*(Adopted by Back Yard Parking Advisory Committee
July 27 2012)*

1. Increase from current 50+ town parking spaces in current "back yard" lot
2. Provision in new parking facility for any on-street spaces lost
3. Provision in parking facility of all parking spaces required by Ocean Properties for "full occupancy" of West Street Hotel
4. Continued or improved access to all current easement holders /abutters with land adjacent to existing town ways at Lenox Place and Laurel Court
5. Improved pedestrian access to Main Street, Cottage Street and Rodick Street
6. Advancement of the Town's long term interests (social, economic, environmental—including reduced automobile congestion and increased pedestrian amenities) in whatever agreement is made
7. Acceptable/Mutually Beneficial framework for public-private partnership **for construction** of parking facility and related amenities, including sharing costs
8. Acceptable/Mutually Beneficial framework for public-private partnership **to own and operate/maintain** parking facility, including sharing costs and revenues
9. Broad public support for project in preparation for Town Meeting to approve any land transfers (gifts, purchases or conveyances) or other necessary actions
10. Project construction, operation and maintenance will not add to the property tax burden for businesses and residents."

LEASE AGREEMENT

BETWEEN

MARINE ATLANTIC, INC.

AND

THE STATE OF MAINE

acting by and through its Department of Transportation

For property known as the Bar Harbor Ferry Terminal, 121 Eden Street, Bar Harbor, Maine 04609, and adjacent piers and submerged lands.

Dated: As of November 15, 2016

LEASE AGREEMENT

THIS LEASE made as of this 15th day of November, 2016 (the "Execution Date"), by and between **MARINE ATLANTIC, INC.**, a Canadian Crown Corporation with a mailing address of 10 FORT WILLIAM PLACE, SUITE 302, BLAINE JOHNSTON CENTRE, ST. JOHN'S, NEWFOUNDLAND, A1C 1K4 (hereinafter referred to as "Landlord"), and the **STATE OF MAINE**, acting by and through the **MAINE DEPARTMENT OF TRANSPORTATION**, an Executive Department of the State of Maine with a mailing address of 16 STATE HOUSE STATION, AUGUSTA, ME 04333-0016 (hereinafter referred to as "Tenant"),

W I T N E S S E T H:

In consideration of the mutual covenants and agreements contained herein and intending to be legally bound hereby, Landlord and Tenant hereby agree with each other as follows:

SECTION 1. Premises: Landlord hereby leases and lets to Tenant, and Tenant hereby takes and hires from Landlord, upon and subject to the terms, conditions, covenants and provisions hereof, all of that tract, piece or parcel of land, together with the buildings, equipment and improvements thereon commonly known as the Bar Harbor Ferry Terminal located at 121 Eden St., Bar Harbor, Maine, more particularly described in Exhibit A attached hereto, together with any and all appurtenances, rights, privileges and easements benefiting, belonging or pertaining thereto (all of the foregoing hereinafter sometimes referred to as the "demised premises" and sometimes referred to as the "premises"). The premises are to be accepted as of the Occupancy Date in "as is" condition except if specifically set forth to the contrary in this Lease. For the purposes of this Lease the "Occupancy Date" shall mean the date when the Landlord turns over occupancy of the Premises to Tenant and provides written confirmation to Tenant that the Environmental Remediation, as set forth in the Work Plan dated February 5, 2016, attached as Exhibit D hereto, has been completed, which written confirmation shall include: a) a Certificate of Completion to be provided by the Maine Department of Environmental Protection, and any required Declaration of Environmental Covenants has been recorded, and b) written certifications from Landlord, or such remediation company as it may retain, that any required TSCA PCB Self-Implementing Remediation Plan pursuant to 40 CFR Part 761.61(b) has been completed. In the event such written confirmation has not provided to Tenant by October 15, 2016, Tenant shall have the option of terminating this Lease. In the event Tenant terminates the Lease, Landlord shall return to Tenant all sums which Tenant may have paid to Landlord pursuant to the terms of this Lease. The above October 15, 2016 deadline may be extended by Landlord in the event of governmental delay in providing Certificate of Completion or in requesting additional work or submissions not currently anticipated.

Tenant acknowledges that: (a) Landlord has made no representations and Tenant is not relying on any representations about the premises, their suitability for any particular use and/or the physical condition thereof; and (b) that Tenant has conducted its own due diligence inquiries with respect to the premises and is satisfied with the results thereof. Landlord and Tenant acknowledge that the Dock (as further defined below) at the premises is in severe disrepair and is unsafe for use. Landlord and Tenant agree that use of the Dock is strictly prohibited during the

term of this Lease, unless Tenant restores the Dock to a safe condition to the reasonable satisfaction of Landlord. The premises shall include all submerged lands leased to Landlord (the "Submerged Land") pursuant to Submerged Lands Lease No. 0217A-L-32 dated August 3, 2012, between the Bureau of Parks and Lands, an Agency of the State of Maine Department of Conservation and Landlord, a copy of which is attached hereto as Exhibit B-1 (as the same may be amended or replaced from time to time with the consent of Tenant, the "Submerged Lands Lease"). With respect to the Submerged Land, this Lease is a sublease of the leasehold interest held by Landlord as lessee under the Submerged Lands Lease and is subject to all of the terms and conditions of the Submerged Lands Lease. Tenant shall assume all rents, costs and obligations to the Bureau of Parks and Lands pursuant to such Submerged Lands Lease. The term "Dock" as used in this Lease means the pier, pilings, decking and any related crib work, foundations, abutments and structures located within the "DOCK/No-Use Area" outlined in bold on Exhibit E to this Lease.

SECTION 2. Term: The original term (the "Term") of this Lease shall be for a period of three years(3) years from the Occupancy Date. Should Tenant sooner exercise its right to purchase the premises pursuant to Section 28 below, this Lease shall terminate upon the transfer of the premises to Tenant, however there shall be no abatement or proration of rent.

SECTION 3. Rent: Tenant agrees to prepay all rents due under this Lease Agreement concurrent with the execution of this Lease Agreement by both parties. The parties agree that the annual rent under this Lease Agreement shall be \$333,333.33 (USD) and that the prepayment amount that will be due upon the execution of this Lease Agreement by both of the parties shall be \$1,000,000.00 (USD), which amount is not, subject to the provisions of Section 1, refundable and will be credited to the purchase price of the premises if Tenant exercises its option to purchase the demised premises at or before the conclusion of the lease term as set forth in Section 28 below.

SECTION 4. Utilities, Services and Contracts: Tenant may take such steps as may be necessary or useful to ensure the demised premises shall be connected, at all times during the term of this Lease, with all necessary public or private utility lines and water and sewerage system. Attached hereto as Exhibit C is a list of any contracts, agreements, licenses and leases presently in effect relating to the demised premises (the "Contracts") identifying in particular which contracts are to be assigned to Tenant. All Contracts that are not assigned to Tenant shall be terminated by Landlord effective as of the Occupancy Date. Tenant shall be responsible for any costs associated with any such assignment or termination of the Contracts or any such connection to public or private utility lines and water and sewerage system.

SECTION 5. Tenant Responsibilities: During the term of this lease,

(a) Tenant shall be considered the Terminal Operator of the Bar Harbor Ferry Terminal and shall take over all operations, duties, costs and obligations associated with the premises.

(b) Tenant shall be fully responsible, at its own expense, for all repairs, replacement, upkeep and maintenance of all leased property, including any and all capital or structural repairs

the Tenant may deem useful or necessary. Tenant shall make all necessary repairs in order to maintain the Dock infrastructure in a condition that is adequate to support Tenant's activities on the premises and to maintain the premises in no worse condition than exists on Occupancy Date. All such work, repairs, replacement, upkeep and maintenance shall be done in a good and workman-like manner. Any warranties associated with such work shall run to Landlord and Tenant jointly. Notwithstanding anything to the contrary set forth in this Lease, and except as expressly provided in Section 17 herein, Tenant shall have no obligation to maintain that portion of the Dock which the parties have agreed cannot be used during the term of the Lease.

(c) Tenant shall be responsible for all aspects of compliance with the Maritime Transportation Security Act and the Transportation Workers Identification Credential Program in regards to the Premises.

(d) It is the intention of the parties that, notwithstanding any provision of this Lease to the contrary, the rent shall be absolutely net to Landlord, so that this Lease shall yield to Landlord the net rent specified herein during the term of this Lease, and that all costs, expenses and obligations of every kind and nature whatsoever relating to the premises shall be paid by Tenant and that Tenant shall, at its sole cost, expense and risk, perform and pay for all work and undertakings necessary to maintain the premises in its current or better condition except with respect to the Dock, for which there is no obligation to maintain or repair.

SECTION 6. Use of Premises: The demised premises may be used as a ferry or cruise ship terminal for waterborne transportation; for ferry and/or cruise terminal related operations, including, but not limited to land transportation; for government related operations, including, but not limited to the United States Department of Homeland Security, including the Customs and Border Protection; for marina and marine uses; for public access to pedestrian trails; for public uses such as concerts, and other outdoor activities, other than as prohibited in this Section 6; for parking of cars and buses; for tourist related uses, including, but not limited to, a welcoming center, restaurant(s), and related office spaces, and for other related purposes. The premises, or any portion thereof, shall not be used for any residential, day care, preschool, playground, athletic field, picnic ground, dormitory, nursing home purposes, or other similar purposes. Groundwater beneath the premises may not be used as a source of drinking water or for other direct contact purposes. Notwithstanding anything to the contrary set forth above, use of that portion of the Dock on the premises as more fully described in Exhibit E is prohibited, unless Tenant restores the Dock to a safe condition to the reasonable satisfaction of Landlord and pursuant to the terms of Section 8, below.

SECTION 7. Taxes and Utility Expenses:

(a) Tenant will be responsible, beginning as of the Occupancy Date, for reimbursing Landlord any real estate taxes and personal property taxes that become due with respect to the premises.

(b) Tenant shall, during the term of this Lease, pay and discharge punctually, as and when the same shall become due and payable, all charges for sewer, water, gas, heat, hot water, electricity, light and power, and other service or services furnished to the demised premises or

the occupants thereof during the term of this Lease (hereinafter referred to as "Utility Expenses"). Landlord and Tenant shall cooperate to change the billing accounts for the Utility Expenses from Landlord's name to Tenant's name at or about the Occupancy Date and to change such accounts back to Landlord's name at the end of the term, as necessary. Landlord shall be responsible for the payment of all Utility Expenses for periods prior to the Occupancy Date and, unless Tenant purchases the premises, after the termination date of this Lease.

(a) Landlord shall have no obligation to provide or pay for utilities or equipment at, to, or within the premises. In the event Tenant requires additional, replacement or upgraded utilities or equipment, the installation and maintenance thereof shall be Tenant's sole cost and obligation.

SECTION 8. Improvements; Repairs; Additions; Replacements:

(a) Tenant may, at its own cost and expense, at any time and from time to time throughout the term of this Lease, make such alterations, changes, replacements, improvements and additions in and to the demised premises, and the buildings and improvements thereon, subject to all applicable codes and ordinances, as it may deem desirable, including the demolition or removal in whole or in part of any building(s), improvement(s), and/or structure(s) that may be situated upon the demised premises at the commencement of the term of this Lease or which may subsequently be erected upon the demised premises, together with any equipment or fixtures installed thereon, upon receipt of Landlord's written consent which shall not be unreasonably withheld or delayed. It shall be deemed reasonable for Landlord to withhold consent for any change which shall adversely affect the value or marketability of the premises. Notwithstanding the foregoing, and apart from the possible removal of the Dock, any demolition of buildings, improvements, and/or structures shall be subject to the consent of Landlord in its sole discretion. Tenant shall be responsible for the lawful disposal of all removed or demolished materials. All such improvements, repairs, additions, replacements and demolition shall be completed in a good and workman-like manner. Any warranties associated with such work shall run to Landlord and Tenant jointly. At the time of Landlord's consent, the parties shall determine whether the particular improvement shall remain property of Tenant or Landlord following the termination of the Lease.

(b) From and after the Occupancy Date, title to any building or buildings or improvements constructed with Tenant's funds on the demised premises and the building equipment and other items purchased with Tenant's funds and installed thereon shall remain solely in Tenant and Tenant shall have the right to remove the same at the termination of this Lease if so approved by Landlord at the time of consent as described in subsection (a) above. Following removal, Tenant shall restore the premises to the same or better condition as existed upon the Occupancy Date, reasonable wear and tear excepted. Improvements made to the premises which are integrated into the structure of the existing buildings, or the infrastructure of the premises, and that support the integrity of the premises or any improvement or building thereon, such as weatherproofing or any HVAC equipment, shall automatically become property of Landlord.

(c) On the last day, or sooner termination, of the term of this Lease, Tenant shall quit and surrender to Landlord the demised premises, and any buildings and permanent improvements then thereon, and any buildings or improvements which have not been removed by Tenant, as previously approved, shall become the property of Landlord without any further consideration therefor. The premises, with the exception of the Dock, its buildings, improvements and fixtures shall be returned to Landlord in the same or better condition as existed upon the Occupancy Date.

SECTION 9. Requirements of Public Authority:

(a) During the term of this Lease, Tenant shall, at its own cost and expense (or with the use of Bond Proceeds), promptly observe and comply with all present and future laws, ordinances, requirements, orders, directives, rules and regulations of the federal, state, county, and city governments and of all other governmental authorities affecting the demised premises or appurtenances thereto or any part thereof whether the same are in force at the commencement of the term of this Lease or may in the future be passed, enacted or directed.

(b) Tenant, with the prior written consent of Landlord, which shall not be unreasonably withheld or delayed, shall have the right to contest by appropriate legal proceedings diligently conducted in good faith, in the name of the Tenant, or Landlord (if legally required), or both (if legally required), without cost or expense to Landlord, the validity or application of any law, ordinance, rule, regulation or requirement of the nature referred to in paragraph (a) of this Section and, if by the terms of any such law, ordinance, order, rule, regulation or requirement, compliance therewith may legally be delayed pending the prosecution of any such proceeding, Tenant may delay such compliance therewith until the final determination of such proceeding.

(c) Landlord agrees to execute and deliver any appropriate papers or other instruments which may be necessary or proper to permit Tenant (with Landlord's consent as provided above) to so contest the validity or application of any such law, ordinance, order, rule, regulation or requirement and to fully cooperate with Tenant in such contest.

SECTION 10. Covenant Against Liens: If, because of any work performed upon the demised premises by or at the expense of Tenant, any mechanic's lien or other lien shall be filed against Landlord or any portion of the demised premises, Tenant shall, at its own cost and expense, cause the same to be discharged of record or bonded within one hundred twenty (120) days after the earlier of (i) the date when Tenant receives notice of the filing thereof and (ii) the filing thereof. This provision shall not be interpreted as meaning that Tenant has any authority or power to permit any lien of any nature or description to attach or to be placed upon Landlord's title or interest in the premises, or any portion thereof.

SECTION 11. Access to Premises by Landlord: During the term of this Lease Landlord or Landlord's agents shall have the right, after giving Tenant reasonable advance notice, and subject to compliance with the then applicable facility security plan, to enter upon the demised premises at reasonable times to examine the same provided such entry shall not unreasonably interfere with the activities then being conducted on the demised premises.

SECTION 12. Assignment and Subletting: Tenant may, without Landlord's consent, assign, sublease, convey, encumber or otherwise transfer in any manner all or any part of its leasehold interest in the premises or the improvements located thereon or any of the privileges granted to Tenant hereunder, to the Maine Port Authority, a body corporate and politic and an instrumentality of the State of Maine, or the federal government. Tenant shall not assign, sublease, convey, mortgage, encumber or otherwise transfer in any manner all or any part of its leasehold interest in the premises or the improvements located thereon or any of the privileges granted to Tenant hereunder, to any other public entity without the Landlord's written consent, which consent shall not be unreasonably withheld. Tenant shall not assign, sublease, convey, mortgage, encumber or otherwise transfer in any manner all or any part of its leasehold interest in the premises or the improvements located thereon or any of the privileges granted to Tenant hereunder, to any privately owned entity without Landlord's prior written consent, which may be withheld at Landlord's sole discretion. Notwithstanding any such assignment or subletting, Tenant shall remain directly and primarily liable for the performance of its obligations under this Lease.

SECTION 13. Signs: Tenant shall, during the term of this Lease, upon written consent of Landlord for signage other than as listed on Exhibit F, which consent shall not be unreasonably withheld or delayed, have the right to install, maintain and replace in, on or over or in front of the demised premises or in any part thereof signs and advertising matter as Tenant may desire, and Tenant shall comply with any applicable requirements of governmental authorities having jurisdiction and shall obtain any necessary permits for such purposes.

SECTION 14. Responsibility for Claims and Liabilities:

(a) Commencing on the Occupancy Date, Tenant assumes all responsibility for, and shall, to the extent permitted by applicable law, hold Landlord harmless from and against, all claims, damages, losses and expenses, including but not limited to attorneys' fees, arising out of or resulting from the use of the demised premises during the term of this Lease, including, without limitation, all claims, damages, losses or expenses attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property. Tenant shall have no liability or responsibility for any such claims that accrued during Landlord's period of ownership prior to the Occupancy Date.

(b) In claims against Landlord by anyone directly or indirectly employed by Tenant or anyone for whose acts Tenant may be liable, the hold harmless obligation between Landlord and Tenant above shall not be limited by a limitation on amount or type of damages, compensation or benefits payable by or for the Tenant under workers' compensation acts, disability benefit acts or other employee benefit acts.

(c) The provisions contained in this Section, notwithstanding anything to the contrary herein, shall not be considered to, and shall not, expand or create liability on the part of Tenant to any third person for claims from which Tenant is released, exempted and/or protected by Maine law, including without limitation, the Maine Tort Claims Act, as it is currently in effect or is in the future from time to time modified or amended; *provided, however*, that no such law,

including the Maine Tort Claims Act, shall, to the extent permitted by applicable law, be interpreted to limit, in any way, Tenant's obligations hereunder to hold Landlord harmless from claims by such third persons.

(d) The provisions of this Section shall survive the termination or earlier expiration of the term of this Lease. As between Landlord and Tenant, Tenant, unless released under the provisions of Section 16 hereof, shall be responsible for all claims and all costs, expenses, and liabilities incurred in connection with such claims, including any action or proceeding brought thereon, arising from or as a result of (a) any accident, injury, loss, or damage whatsoever caused to any natural person, or to the property of any person, alleged to have occurred on the demised premises during the term of this Lease or (b) the intentional misconduct or negligent acts or omissions of Tenant or of the agents, contractors, servants or employees of Tenant or (c) the use, operation and maintenance by Tenant of the demised premises during the term of this Lease; excepting, however, in each case, claims, accidents, injuries, loss or damages arising from or as a result of the intentional misconduct of Landlord or its agents, contractors, servants or employees. As between Landlord and Tenant, Landlord, unless released under the provisions of Section 16 hereof, shall be responsible for all claims and all costs, expenses, and liabilities incurred in connection with such claims, including any action or proceeding brought thereon, arising from or as a result of (a) any accident, injury, loss, or damage whatsoever caused to any natural person, or to the property of any person, alleged to have occurred in or about the demised premises prior to the Occupancy Date, or after the end of the term of this Lease, unless Tenant exercises its option to purchase the demised premises pursuant to Section 28 herein, in which case Landlord's obligation shall cease with regard to any claims arising after title to the demised premises passes to Tenant; or (b) the intentional misconduct of Landlord or the agents, contractors, servants or employees of Landlord; or (c) the use, operation and maintenance of the demised premises prior to the Occupancy Date or after the end of the term of this Lease; excepting, however, in each case, claims, accidents, injuries, loss or damages arising from or as a result of the intentional misconduct or negligent acts or omissions of Tenant or of the agents, contractors, servants or employees of Tenant. Each party hereto shall promptly notify the other of any claim asserted against such party with respect to which is the responsibility of the other party hereunder, and the party giving such notice shall promptly deliver to the other party the original of, or a true copy thereof, any summons or other process, pleading, or notice issued or served in any suit or other proceeding to assert or enforce any such claim. The party responsible for such claim as provided in this Section shall defend any such suit at its sole cost and expense with attorneys of its own selection, but the other party shall have the right, if it sees fit, to participate in such defense at its own expense. The provisions contained in this Section, notwithstanding anything to the contrary herein, shall not be considered to, and shall not, expand or create liability on the part of Tenant to any person for claims from which a party is released, exempted and/or protected by Maine law, including without limit, the Maine Tort Claims Act, as it is currently in effect or is in the future from time to time modified or amended.

SECTION 15. Insurance:

(a) Until such time as Tenant retains an independent contractor to operate the demised premises, Tenant shall maintain with respect to the demised premises a Commercial General Liability policy insurance from a company or companies qualified to do business in the State of Maine and rated AAA by Standard & Poor's, insuring Landlord, Tenant and any designee of Tenant having an interest in the demised premises. In the event that Tenant fails to provide the coverage required by this Paragraph 15, Landlord may procure such coverage and Tenant shall, promptly upon written request, reimburse Landlord for all reasonable costs incurred by Landlord related to procuring such coverage. The provisions contained in this Section 15, notwithstanding anything to the contrary set forth in this Lease, shall not be considered to, and shall not, limit, expand or create liability on the part of Tenant to any person for claims from which a party is released, exempted and/or protected by Maine law, including without limit, the Maine Tort Claims Act, as it is currently in effect or is in the future from time to time modified or amended.

<u>Description</u>	<u>Coverage</u>	<u>Each Occurrence</u>
Commercial General Liability	B.I./Death P.D.	\$3,000,000.00 \$1,000,000.00

At such time as Tenant retains an independent contractor to operate the demised premises, or should Tenant or its permitted assignee choose to operate the demised premises itself, Tenant shall ensure that the following coverage with companies qualified to do business in the State of Maine and rated AAA by Standard & Poor's, insuring Landlord, Tenant and any designee of Tenant having an interest in the demised premises, are in fully force and effect prior to the effective date of operation:

<u>Description</u>	<u>Coverage</u>	<u>Each Occurrence</u>
(i) Commercial General Liability (including Stevedore's legal liability and wharfinger's liability)	B.I./Death P.D.	\$5,000,000.00 \$3,000,000.00
(ii) Vehicle Liability, including owned, hired or non-owned	B.I./Death P.D.	\$1,000,000.00 \$1,000,000.00
(iii) Worker's Compensation, Employer's Liability (including an endorsement for Federal Longshoreman and Harbor Worker's coverage)	B.I./Death	Statutory amount

(iv) Pollution coverage	Land to Sea	\$5,000,000.00
	Land to Land	\$5,000,000.00

(b) Tenant shall provide Landlord written notice, in the manner provided in Section 26, ten (10) days prior to the effective date of any operation of the demised premises.

* "Operation" or "Operate" shall, for the purposes of this Section 15, mean regularly placing employees for a maritime purpose at or on the premises or allowing or making public or private maritime use of the premises. "Operation" or "Operate" shall not include Tenant's maintenance of a caretaker on or for the premises.

(c) Notwithstanding anything to the contrary set forth in this Agreement, Tenant's obligation to maintain the insurance required hereunder shall always be subject to the availability of such insurance in the required amounts. If Landlord is able to purchase such insurance, then Landlord may purchase it and Tenant agrees to reimburse Landlord for the reasonable costs thereof.

(d) Tenant shall deposit with Landlord certificates of such insurance naming Landlord as an additional insured thereon prior to the Occupancy Date, and thereafter within twenty (20) days prior to the expiration of such policy. Such policy shall, to the extent obtainable, provide that the policy may not be materially changed or cancelled without at least twenty (20) days' prior written notice to Landlord. Once Tenant retains an independent contractor, such independent contractor shall provide to Tenant certificates of insurance reflecting the coverage set forth above and naming Landlord as an additional insured on any liability and property damage policies. Neither Landlord, nor Tenant, shall be named as additional insureds on such independent contractor's worker's compensation or Longshore and Harbor Worker's compensation policies.

(e) During the term of this Lease, Tenant shall maintain property insurance upon any buildings, equipment and other structures (including all improvements, alterations, additions and changes thereto) which are located on the demised premises with coverage for perils at least as broad as Insurance Services Office form CP 1030 (Causes of Loss-Special Form), and providing for full replacement cost. Should there be an insured loss prior to Tenant exercising and consummating its purchase right pursuant to Section 28 herein, the right to any insurance proceeds shall be for Landlord's account, subject, however, to Tenant's, or its assignee's, right to use the insurance proceeds to satisfy any obligations they may have pursuant to the terms of this Agreement. In the event Tenant exercises and consummates its purchase right pursuant to Section 28 herein, all proceeds payable at any time and from time to time by any insurance company under such policy shall be for Tenant's, or its assignee's, account, and Landlord shall not be entitled to, nor shall it have any interest in, the proceeds of such insurance or any part thereof. Landlord shall, at Tenant's cost and expense, cooperate fully with Tenant in order to obtain the largest possible recovery and shall execute any and all consents and other instruments and take all other actions necessary or desirable in order to effectuate the same and to cause such proceeds to be paid as hereinbefore provided and Landlord shall not carry any insurance concurrent in coverage and contributing in the event of loss with any insurance required to be

furnished by Tenant hereunder if the effect of such separate insurance would be to reduce the protection or the payment to be made under Tenant's insurance.

(f) Any insurance required to be provided by Tenant pursuant to this Lease may be provided by blanket insurance covering the demised premises and other locations provided such blanket insurance complies with all of the other requirements of this Lease with respect to the insurance and coverage amounts involved.

SECTION 16. Waiver of Subrogation: Each of Landlord and Tenant hereby releases the other and their officers, directors, shareholders, agents and employees from any and all liability or responsibility (to the other or anyone claiming through or under them by way of subrogation or otherwise) for any loss or damage to property caused by fire or other casualty, even if such fire or other casualty shall have been caused by the fault or negligence of the other party, or anyone for whom such party may be responsible.

SECTION 17. Damage or Destruction: In the event that, at any time during the term of this Lease, any one or more of the buildings on the demised premises shall be destroyed or damaged in whole or in part by fire or other cause, Tenant shall within a reasonable time, contact Landlord to seek Landlord's written instruction and, at its own cost and expense, as directed by Landlord pursuant to such instructions, and subject to the terms of Section 15(e) herein, either repair and restore said damaged buildings to complete architectural units, or demolish and remove said damaged buildings from the demised premises and remove all rubble. In the event that that portion of the existing Dock which the parties have agreed shall not be used during the term of this Lease, as shown in Exhibit E, shall collapse or fall down, or be damaged by a casualty loss, Tenant shall have no obligation to restore the Dock to its prior condition, but shall be obligated to secure, remove, or otherwise dispose of the damaged portion of the Dock, but only if required to do so by order of the United States Coast Guard, or any other authorized governmental agency, or if a damaged portion of the Dock poses an imminent threat to navigation or the environment. Tenant shall not be entitled to any suspension or abatement of rent by reason of any such destruction or damage to the buildings and improvements upon the demised premises.

SECTION 18. Utility Easements: Tenant shall have the right to enter into agreements with utility companies, and/or public authorities which provide necessary utilities, in favor of such companies and/or authorities as are required in order to service the demised premises, and Landlord agrees to make reasonable efforts 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 sole cost and expense. Any proposed agreement in effect longer than the remaining Lease term shall require Landlord's written consent, which consent Landlord may withhold in its sole discretion.

SECTION 19. Mortgages: Neither Landlord nor Tenant will mortgage its respective interest in the premises during the term of this Lease.

SECTION 20. Hazardous Materials: As between Landlord and Tenant, Tenant shall be responsible for and, to the extent permitted by applicable law, hold Landlord harmless from any loss, liability or expense relating to personal, property or economic injury (including any costs incurred by Landlord in connection with the correction of any violation of Environmental Laws)

arising from the presence of Hazardous Materials placed on the demises premises by Tenant. Tenant agrees that it will comply with all Environmental Laws with respect to Tenant's use of the premises. As between Tenant and Landlord, Landlord shall be responsible for and hold Tenant harmless from any loss, liability or expense relating to personal, property or economic injury (including any costs incurred by Tenant in connection with the correction of any violation of Environmental Laws) arising from the presence of Hazardous Materials placed on the demised premises by Landlord, or those acting by or through Landlord, either prior to the Occupancy Date, or following the termination of this Lease should Tenant not exercise its right to purchase the demised premises pursuant to Paragraph 28 herein. Each party will promptly notify the other party and provide copies upon receipt of all written complaints, claims, citations, demands, inquiries, reports, or notices relating to the environmental condition of the premises or compliance with Environmental Laws. For the purposes of this Lease, the term "Environmental Laws" shall be defined to include all present or future laws or regulations regarding the use, storage, removal or abatement of hazardous, toxic and/or environmentally controlled materials. As used herein, "Hazardous Materials" shall mean all hazardous, toxic and/or environmentally or statutorily controlled materials, substances or waste.

Notwithstanding the above, Landlord agrees that it will undertake, at its sole expense, certain environmental remediation of the premises as more fully set forth in Exhibit D attached hereto, which remediation has been reviewed by Tenant, without objection.

SECTION 21. Quiet Enjoyment; Title:

(a) Landlord agrees with Tenant that upon Tenant paying the rent and observing and performing all the terms, covenants and conditions, on Tenant's part to be observed and performed, Tenant shall and may peaceably and quietly have, hold, occupy and enjoy the demised premises and all appurtenances thereto without hindrance or molestation. Landlord shall deliver full and actual possession of the demised premises to Tenant upon the Occupancy Date of this Lease.

(b) Landlord shall lease the premises and, should the purchase option pursuant to Section 28 be consummated by Tenant, convey the premises by Quitclaim Deed with Covenant, to Tenant, with good and marketable title subject to covenants, restrictions, easements and other encumbrances of record existing as of the Occupancy Date and any subsequent matters agreed to by Tenant (including any environmental covenants to be placed on the demised premises in connection with Landlord's obligation to remediate the demised premises set forth in Exhibit D attached hereto), other than mortgages and monetary liens (other than inchoate liens for real estate taxes not yet due and payable).

SECTION 22. Defaults:

(a) If a default shall be made by Tenant in the performance or compliance with any of the agreements, terms, covenants or conditions in this Lease provided, and such default shall continue for a period of forty five (45) days after written notice from Landlord to Tenant specifying the items in default, or in case of a default or contingency which cannot with due diligence be cured within said forty five (45) day period, and Tenant fails to proceed within said

forty five (45) day period to commence to cure the same and thereafter to prosecute the curing of such default with due diligence and within a period of time which, under all prevailing circumstances, shall be reasonable, then Tenant shall be in default under this Lease. Notwithstanding the above, in the event Tenant is in default of any insurance obligations pursuant to this Lease, which may be cured within 10 days of written notice from Landlord, Tenant shall automatically be in default under this Lease. If Tenant fails to provide and maintain insurance as above provided, Landlord may, at its sole option, obtain such insurance and Tenant shall pay to Landlord, upon demand, all costs and expenses incurred by Landlord in obtaining such insurance.

(b) In the case of Tenant default, not cured within any applicable grace period, Landlord shall be entitled to all remedies available to Landlord at law and equity including without limitation, the remedy of forcible entry and detainer, and Landlord lawfully may, immediately or at any time thereafter, and without demand or notice, mail a notice of termination to Tenant, or, if permitted by law, enter into and upon the leased premises or any part thereof in the name of the whole and repossess the same as of its former estate, and expel Tenant and those claiming through or under it and remove it or their effects, and without prejudice to any remedies which might otherwise be used for arrears of rent or preceding breach of covenant, and upon such mailing or entry as aforesaid, this Lease shall terminate.

SECTION 23. Waivers: Failure of Landlord 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 any of its rights hereunder. No waiver by Landlord or Tenant at any time, express or implied, of any breach of any provision of this Lease shall be deemed a waiver of a breach of any other provision of this Lease or a consent to any subsequent breach of the same or any other provision. If any action by either party shall require the consent or approval of the other party, the other party's consent to or approval of such action on any one occasion shall not be deemed a consent to or approval of said action on any subsequent occasion or a consent to or approval of any other action on the same or any subsequent occasion. Any and all rights and remedies which either party may have under this Lease or by operation of law, either at law or in equity, upon any breach, shall be distinct, separate and cumulative and shall not be deemed inconsistent with each other; and no one of them, whether exercised by said party or not, shall be deemed to be in exclusion of any other; and any two or more of all of such rights and remedies may be exercised at the same time.

SECTION 24. Zoning: Landlord hereby authorizes Tenant, for the term of this Lease, in Landlord's name if necessary but at no cost to Landlord, to apply for and secure from any governmental authority having jurisdiction over the demised premises and the building or improvements, any permits, licenses approvals, consents, or the like (hereinafter "Permits") as Tenant desires. Any proposed change of the use of the premises or agreement regarding a change of the zoning affecting the property shall require Landlord's written consent, which will not be unreasonably withheld or delayed. Landlord's withholding of consent shall be deemed reasonable if such a proposed change may limit the allowed uses of the premises. Landlord hereby acknowledges its consent to any zoning changes sought by Tenant that are consistent with the uses of the premises permitted pursuant to Section 6 of this Agreement. If consented to, Landlord agrees, throughout the term of this Lease, to reasonably cooperate with Tenant in any

and all applications and proceedings and appeals made or prosecuted by Tenant in connection with obtaining any necessary Permits under the zoning, land use, environmental and/or building regulations, ordinances, codes, laws and directives of all of the federal, state, town and other authorities having jurisdiction over the development and use of the demised premises and the building or improvements. Landlord may, if requested by Tenant, execute and join in the execution of any and all applications, documents, instruments, consents and authorizations requested by Tenant which shall be necessary or desirable with respect thereto, including any appeals therefrom, including appeals to the courts having jurisdiction in the matter. Tenant may prosecute such applications, proceedings and appeals in its own or in Landlord's name and through counsel of its choice, but shall do so at its own cost and expense.

SECTION 25. Force Majeure: In any case where either party hereto is required to do any act (except for the payment of money and securing of insurance coverages), the time for the performance thereof shall be extended by a period equal to any delay caused by or resulting from act of God, war, civil commotion, fire or other casualty, labor difficulties, shortages of energy, labor, materials or equipment, government regulations, delays caused by either party to the other, or other causes beyond such party's reasonable control, whether such time be designated by a fixed date, a fixed time or a "reasonable time."

SECTION 26. Notices: All notices and other communications authorized or required hereunder shall be in writing, may be made by the parties or their counsel, and shall be either (1) delivered in person to the party to whom they are addressed; (2) sent by certified mail or registered mail, return receipt requested; (3) by overnight carrier; or (4) by e-mail if notice is provided by a method described in subsections (1) through (3) above within twenty-four (24) hours of such e-mail communication, in each case with all postage and mailing charges prepaid and addressed in the manner hereinafter provided. Any such notice or other communication which is required to be given within a certain period or prior to a certain date in order to be effective shall be deemed to have been given by the sending party when personally delivered or mailed in the manner herein provided to the party to whom such notice or other communication shall be addressed. Any such notice or other communication which requires or anticipates a response by the receiving party within a certain period or prior to a certain date shall be deemed to have been given to the receiving party when received or refused by the party to whom such notice or other communication is addressed. For the purposes hereof, any notice or other communication shall be deemed to have been received by the party to whom addressed on the third (3rd) business day after the posting of the same in the United States Mail/Canadian Mail in the manner herein provided and on the first (1st) business day after the deposit of the same with an overnight carrier as herein provided and on the same business day on which an e-mail notice is sent (or the first (1st) following business day if such e-mail is sent on a non-business day). Any notice or other communication intended for Landlord shall be mailed to Landlord at:

Marine Atlantic, Inc.
10 Fort William Place, Suite 302,
Baine Johnston Centre,
ST. John's, NL, A1C 1K4
Attn: Jacqueline Penney
Corporate Counsel
E-Mail: jpenney@Marine-Atlantic.ca

or at such other address or addresses as Landlord may hereafter designate by notice to Tenant; and any notice or other communication intended for Tenant shall be mailed to Tenant at:

Maine Port Authority
ATTN: John Henshaw, Executive Director
16 State House Station
Augusta, Maine 04333-0016
E-mail: john.h.henshaw@maine.gov

or at such other address or addresses as Tenant may hereafter designate by notice to Landlord.

SECTION 27. Estoppel Certificates: Each party agrees that at any time, and from time to time, upon not less than fourteen (14) days prior notice, at either party's request, it shall execute, acknowledge and deliver to the other party, a statement in writing certifying, if such be the case, that this Lease is unmodified and in full force and effect, or if there are modifications, stating the modifications and that the Lease as modified is still in full force and effect, and that there are no defaults, defenses or offsets thereto then accrued, or stating those claimed, and stating the dates to which the rents or other charges have been paid.

SECTION 28. Purchase Rights of Tenant: Tenant shall have the exclusive right and option to purchase the demised premises, and any appurtenances, on or before the time of the expiration of the Term of this Lease, for the sum of \$3,500,000.00 U.S. Dollars (the "Purchase Price"), less the pre-paid rent paid pursuant to this Lease. Tenant may exercise its option to purchase the demised premises by giving written notice to Landlord at any time prior to close of business SIXTY (60) DAYS PRIOR TO the third anniversary of the Occupancy Date. If Tenant exercises its option to purchase the demised premises, a closing shall be held within sixty (60) days of such exercise at a time and place to be selected by Tenant. At the closing, Landlord shall deliver to Tenant a properly executed quitclaim deed with covenants in recordable form conveying title to the demised premises to Tenant, and customary closing documents reasonably required by Tenant, including, but not limited to, an assignment of the Submerged Lands Lease. The balance of the Purchase Price shall be paid by a State Treasurer's check to Landlord simultaneously with the delivery of the deed.

SECTION 29. Governing Law: This Lease and the performance thereof shall be governed, interpreted, construed and regulated by the laws of the State of Maine.

SECTION 30. Partial Invalidity: If any term, covenant, condition or provision of this Lease 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 Lease, 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 Lease shall be valid and enforceable to the fullest extent permitted by law.

SECTION 31. Holding Over: In the event that Tenant shall continue in occupancy of the demised premises after the expiration of the term hereof, such occupancy shall not be deemed to

extend or renew the terms of this Lease, but such occupancy shall continue as a tenancy at will from month to month upon the covenants, provisions and conditions herein contained at a rent equal to 125% of the rent in effect during the last lease year of the term, prorated and payable for the period of such occupancy. This Section shall not be construed as giving Tenant any right to holdover after the expiration of the term hereof and Tenant is explicitly prohibited from holding over.

SECTION 32. Memorandum of Lease: The parties will at any time, at the request of either one, promptly execute multiple originals of an instrument, in recordable form which will constitute a memorandum or notice of lease, setting forth the names of the parties, a description of the demised premises, the term of this Lease and any other portions thereof, excepting the rental provisions, as either party may request.

SECTION 33. Interpretation: Wherever herein the singular number is used, the same shall include the plural, and the masculine gender shall include the feminine and neuter genders, and vice versa, as the context shall require. The section headings used herein are for reference and convenience only, and shall not enter into the interpretation hereof. This Lease may be executed in several counterparts, each of which shall be an original, but all of which shall constitute one and the same instrument. The word "Landlord", and the pronouns referring thereto, shall mean where the context so admits or requires, the corporation named herein as Landlord. The word "Landlord," as used herein, means only the owner for the time being of Landlord's interest in this Lease and, in the event of any transfer of Landlord's interest in this Lease, the transferor shall cease to be liable and shall be released from all liability for the performance or observance of any agreements or conditions on the part of Landlord to be performed or observed subsequent to the time of said transfer, provided that from and after said transfer, the transferee shall assume and be liable for the performance and observance of said agreements and conditions.

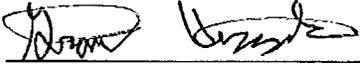
SECTION 34. Entire Agreement: This instrument contains the entire and only agreement between the parties, and no oral statements or representations or prior written matter not contained in this instrument shall have any force or effect. This Lease shall not be modified in any way, except by a writing executed by both parties. It is expressly agreed by the parties hereto that the terms and provisions of this Lease are intended to apply only with respect to the leasehold estate created with respect to the demised premises.

SECTION 35. Successors and Assigns: Except as herein otherwise expressly provided, the covenants, conditions and agreements contained in this Lease shall bind and inure to the benefit of Landlord and Tenant and their respective heirs, administrators, successors and assigns.

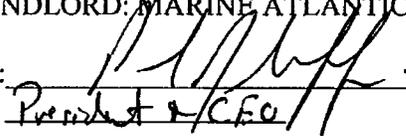
SECTION 36. No Broker: Landlord and Tenant agree that no brokers have been involved in this transaction, and each agrees to reimburse the other for any losses, damages, costs or expenses (including reasonable attorneys' fee) that either party may suffer as a result of claims made or suits brought by any other broker in connection with this transaction, the obligated party hereunder to be the party whose conduct gives rise to such claim. The provisions of this Section 40 shall survive any termination of this Lease.

IN WITNESS WHEREOF, the parties hereto have executed this Lease under seal as of the day and year first above written.

WITNESS:



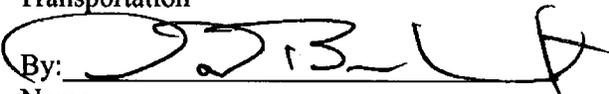
LANDLORD: MARINE ATLANTIC, INC.

By: 

Its _____



TENANT: THE STATE OF MAINE
acting by and through the Maine Department of
Transportation

By: 

Name:

Its:

EXHIBIT A

DESCRIPTION OF DEMISED PREMISES
[including Submerged Lands Lease]

CERTAIN LOTS OR PARCELS OF LAND with buildings and structures thereon situated in the Town of Bar Harbor, County of Hancock, State of Maine bounded and described as follows:

FIRST LOT:

BEGINNING at a stone post set in the ground in the easterly line of Eden Street at the southwest corner of land now or formerly of Josephine E. Carpenter;

THENCE, running on the southern line of said Carpenter North sixty-eight degrees five minutes East (N 68° 5' E), six hundred nine and nine-tenths (609.9) feet to a stone post set in the ground at the top of the bank on the shore of Frenchman's Bay;

THENCE, on the southern line of said Carpenter in the same course North sixty-eight degrees five minutes East (N 68° 5' E), sixteen and five-tenths (16.5) feet to a bolt (in a boulder) at or near high water mark and in the division line across the shore or flats between the land now or formerly of said Carpenter and the land herein conveyed, as agreed upon by Indenture between Josephine E. Carpenter and Alexander J. Cassatt, dated January 14, 1904, and recorded in the Hancock County Registry of Deeds in Book 405, Page 62;

THENCE, across the shore or flats on said division line thus agreed upon under said Indenture, for the next two courses and distances as follows, to wit:

First, North Sixty-nine degrees thirty-five minutes East (N 69° 35' E) one hundred thirty and eight tenths (130.8) feet to a bolt set in the ledge at or near low water mark in said Frenchman's Bay; and

Second, North sixty-nine degrees thirty-five minutes East (N 69° 35' E) eight and two tenths (8.2) feet, more or less, to the line of low water mark of said Frenchman's Bay;

THENCE, generally southerly but following said line of low water mark of said Frenchman's Bay to the division line across the shore or flats between land now or formerly of Annie J. Crocker and land herein conveyed;

THENCE, on said last mentioned division line generally southwesterly across the shore of flats to a point in the line of high water mark on the shore of said Frenchman's Bay and in the northern line of said land now or formerly of the said Crocker, which point bears North sixty-seven degrees fifteen minutes East (N 67° 15'E) from and is forty-three (43) feet distant from, a stone post at the top of the bank on the shore of said Bay;

THENCE, on said northern line of said Crocker, South sixty-seven degrees fifteen minutes West (S 67° 15' W) forty-three (43) feet to the said last mentioned stone post;

THENCE, in same direction on said last mentioned line of said Crocker, four hundred eighty (480) feet to a stone post in the easterly line of said Eden Street;

THENCE in a general northerly direction, following the said easterly side of Eden Street, two hundred ninety-eight (298) feet to the said stone post and place of beginning.

The First Lot herein described contains four (4) acres of upland more or less, together with the shore or flats included with the foregoing description.

TOGETHER WITH the land that was conveyed to the Maine Port Authority the by the Inhabitants of the Town of Bar Harbor by deed dated December 15, 1953 and recorded in said Registry of Deeds in Book 756, Page 562, in and to that portion of said Eden Street that abuts on said premises to the middle line of said Eden Street.

SECOND LOT:

BEGINNING at a post on Eden Street at the northwesterly corner of land now or formerly of Garland and thence running along said land of Garland, North sixty-seven degrees fifteen minutes East (N 67° 15' E) five hundred and twenty-two (522) feet to a stake;

THENCE in the same direction eleven (11) feet to high water mark;

THENCE in a northerly direction along high water mark one hundred and seventy (170) feet, more or less, to land formerly of E.T. Stotesbury, being the First Lot hereinabove described;

THENCE South sixty-seven degrees fifteen minutes West (S 67° 15' W), but everywhere following said land formerly of said Stotesbury, forty-three (43) feet to a stake;

THENCE in the same direction still following said land formerly of said Stotesbury, four hundred and eighty (480) feet to a stake in the easterly line of said Eden Street;

THENCE South twenty-seven degrees fifteen minutes East (S 27° 15' E) eight and fourteen one hundredths (8.14) feet along said eastern line of said Eden Street; and

THENCE continuing along said line of said Eden Street, South twenty-two degrees fifteen minutes East (S 22° 15' E) one hundred sixty-two and thirty-six one hundredths (162.36) feet to the point of beginning.

TOGETHER WITH the land that was conveyed to the Maine Port Authority the by the Inhabitants of the Town of Bar Harbor by deed dated December 15, 1953 and recorded in said Registry of Deeds in Book 756, Page 562, in and to that portion of said Eden Street that abuts on said premises to the middle line of said Eden Street, and in and to all of the shore or flats lying in front of said lot of land on the easterly side thereof, that belong to and are appurtenant to the said lot under the laws of the State of Maine, bounded and described as follows:

On the north by the south line of the shore and flats adjacent to and in front of the upland described in the First Lot herein conveyed;

On the east by line of low water mark of Frenchman's Bay;

On the south by the north line of the shore and flats adjacent to and in front of the upland now or formerly of the Estate of James A. Garland; and

On the west by line of high water mark of said Bay.

TOGETHER WITH any and all appurtenances and riparian rights associated with the above described parcels.

MEANING AND INTENDING to describe the same premises described in a deed from the Maine Port Authority to CN Marine, Inc., dated September 10, 1985 and recorded in Book 1556, Page 552 of said Registry of Deeds.

TOGETHER AND INTENDING to include any and all rights provided by the Maine Bureau of Parks and Lands to Marine Atlantic, Inc. pursuant to Submerged Lands Lease No. 0217 A-L-32 dated September 26, 2012).

EXHIBIT B

(Permitted Encumbrances)

A Sewer Easement dated June 30, 1972 granted by the Maine Port Authority and the Canadian National Railway to the Inhabitants of the Town of Bar Harbor, and recorded in Book 1151, Page 523 in the Hancock County Registry of Deeds.

Maine Bureau of Parks and Lands Submerged Lands Lease No. 0217 A-L-32 dated September 26, 2012) to Marine Atlantic, Inc. *See* Exhibit B-1.

EXHIBIT B-1
(Submerged Lands Lease)

STATE OF MAINE
SUBMERGED LANDS LEASE

No. 0217A-L-32

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 MARINE ATLANTIC, INC. (hereinafter Lessee) 10 FORT WILLIAM PLACE, SUITE 302, BLAINE JOHNSTON CENTRE, ST. JOHN'S, NEWFOUNDLAND, A1C 1K4. Lessor hereby leases to Lessee, on the terms and conditions hereinafter set forth, the following described submerged land (hereinafter leased premises) situated in Hancock County, Maine, to wit:

A certain parcel of public submerged land located in Frenchman's Bay, Bar Harbor, Maine, totaling 149,224 +/- square feet, abutting adjacent upland now owned by Marine Atlantic, Inc. as further described in Attachments A and B which are hereby incorporated into this Lease.

1. **TERM.** This lease shall commence on August 3, 2012 and continue to December 31, 2032.
2. **USE.** Lessee is hereby authorized to use leased premises for the purposes of a ferry terminal facility as described in Bureau of Parks and Lands submerged Lands Application Number SL419-CE 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 amount established by law:

2012 - \$8,859.67, 2013 - \$10,364.92, 2014 - \$11,870.17, 2015 - \$11,870.17, 2016 - \$11,870.17

Rental is payable on or before the first day of February each year throughout the term hereof, except as may be adjusted from time to time in accordance with Paragraph 7 below. Payment is to be made to the Bureau of Parks and Lands, 22 State House Station, Augusta, Maine 04333. Checks are to be made payable to the Treasurer, State of Maine.

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.

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 therefore, 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. 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

Submerged Lands Lease No. 0217A-L-32, Marine Atlantic, Inc.

Lessor's prior written consent. Lessor makes no warranty of Lessee's leasehold estate, and in the event of any lawful ejection 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.

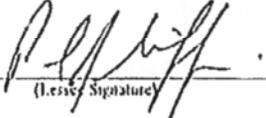
21. **GENERAL RIGHT TO TERMINATE.** Lessee shall have the right to terminate this Lease by notifying Lessor at least thirty (30) days prior to termination date. In terminating, Lessee agrees to vacate leased premises and remove all structures and personal property of Lessee located thereon, unless other 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.** This Lease hereby cancels and replaces Submerged Lands Lease No. 0217-L-32 issued to Bay Ferreis, Ltd. that commenced on May 23, 2003.

Accepted and agreed to on

September 5, 2012


(Lessee Signature)

Paul Griffin
(Print Name)

President and CEO
(Title)

10 Fort William Place, Suite 302
(Address of Record)

Baine Johnston Centre
St. John's, NL
Canada, A1C 1K4

Sept 26, 2012


(Lessor Signature)

Willard R. Harris, Jr.

Director, Bureau of Parks and Lands

Department of Conservation

State of Maine

ATTACHMENT A

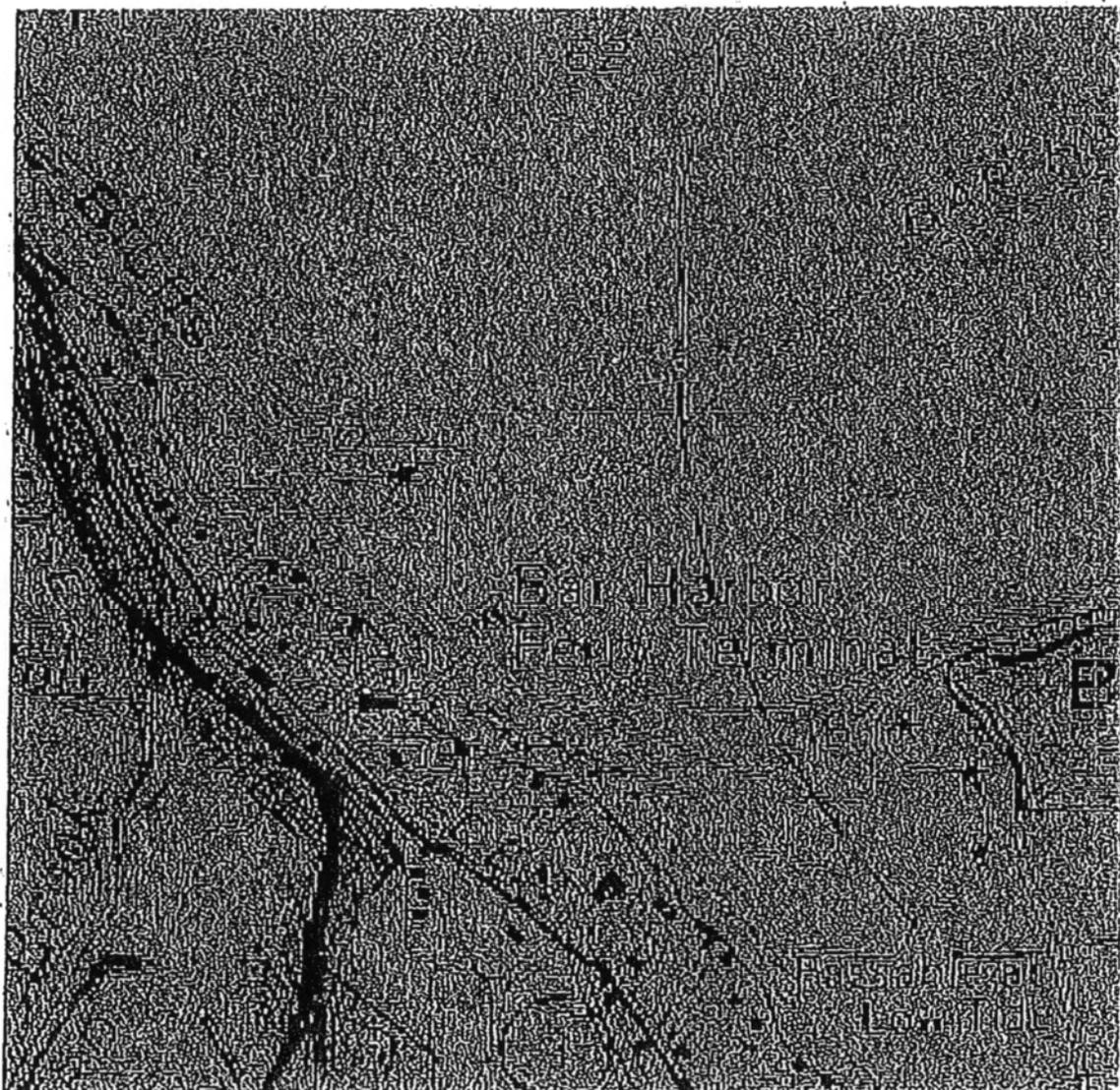


EXHIBIT C

(Contracts)

None

EXHIBIT D

**Remediation Summary
AECOM VRAP Work Plan* Dated February 5, 2016**

1. Submission of Proposed VRAP Work Plan to DEP
2. DEP Approval of Final VRAP Work Plan
3. Implementation of VRAP Work Plan
4. Submission of VRAP Work Plan Completion Report to DEP
5. DEP issuance of Certificate of Completion
6. Execution and recording of Declaration of Environmental Covenants

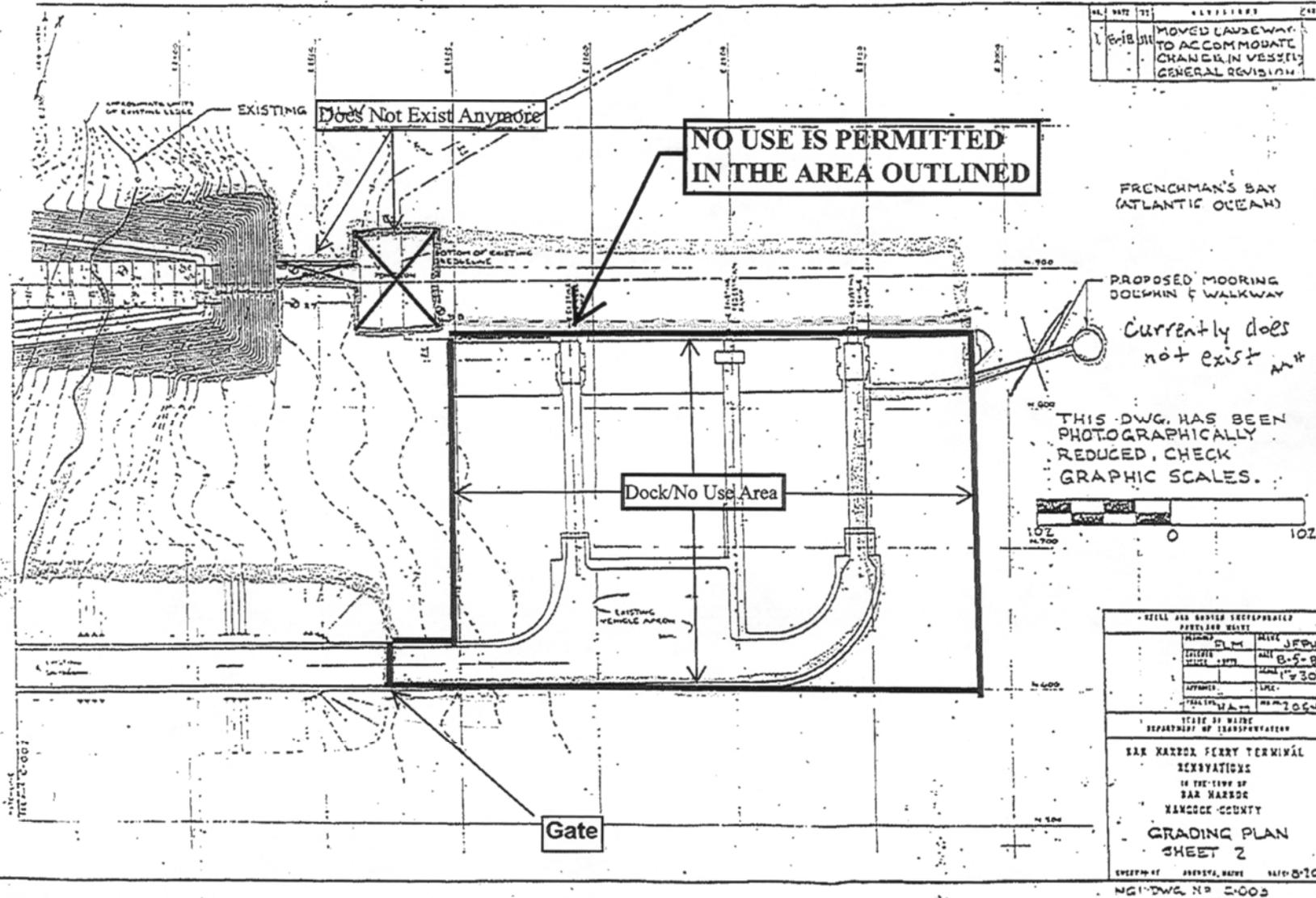
***Please note that VRAP Work Plan incorporates a TSCA PCB Self-Implementing Remediation Plan pursuant to 40 CFR Section 761.61(b).**

EXHIBIT E

[Diagram of Dock showing areas of permitted use]

MARINE ATLANTIC, INC. - MAINE DEPARTMENT OF TRANSPORTATION
 BAR HARBOR MARINE TERMINAL LEASE - EXHIBIT E

ATTACHMENT B



ATTACHMENT C

EXHIBIT F

(Schedule of Signage – Section 13)

1. A sign identifying the terminal
2. Signs identifying gates
3. Directional signs
4. Parking/No Parking signs
5. Signs identifying bus parking and staging/cueing
6. Bus Stop signs
7. Taxi waiting area signs
8. Pedestrian cross walk signs
9. Bicycle lanes and parking signs
10. Entrance and Exit signs
11. Signs required by the Maritime Transportation Security Act of 2002, as amended
12. Any signs reasonably necessary for the uses permitted in Section 6 of the Lease