

FORMER COAST GUARD PROPERTY LEASE

I. PARTIES

This Agreement is made between the City of Frankfort, a Michigan municipal corporation whose address is 412 Main Street, Frankfort, Michigan 49635 (CITY), and Crystal Lake Art Center (CLAC), a Michigan non-profit corporation, whose address is 111 Tenth Street, Frankfort, P.O. Box 1513, Michigan 49635.

II. PREMISES; RECITALS

The CITY owns fee title to real estate located in the City of Frankfort, more fully described on Exhibit A attached, which was formerly part of the US Coast Guard Station Frankfort (the Premises), which includes a two-story building with basement, a multi-bay garage, and storage sheds, with a combined total space of approximately 11,171 square feet (the Building). The City has also been granted a non-exclusive roadway easement over a portion of the Coast Guard Station premises (the Easement).

CLAC desires to use the Building as an art center, and the CITY believes establishment of an Art Center in this Building would benefit the public. Therefore, the CITY, pursuant to §4.10H and §15.1 of the City Charter, and CLAC agree as follows.

III. BASIC AGREEMENT; TERM; RENT

For a term of three (3) years, commencing November 1, 2007, and ending October 31, 2010 (unless renewed as provided in Article XI), the CITY leases the Premises to CLAC for the sole purpose of operating an art center. This lease includes the right to use the Easement in accordance with its terms.

The Premises shall remain open to the general public for all purposes consistent with the operation of an art center. CLAC shall operate and manage the Building in generally the same manner in which it operates its present art center, with galleries and facilities for exhibitions, shows, classes, offices, receptions and dinners. CLAC will, in coordination with the CITY, place and maintain a display covering the history of the City of Frankfort in a publicly accessible location in the Building.

In consideration of the non-profit public purpose of an art center and the renovation and maintenance of the Premises by CLAC, the CITY will charge no rent for the Premises. If the lease is terminated, the City will pay CLAC the difference between

the value of the building and improvements now, and the value of the building and improvements at the time the lease is terminated.

CLAC may sublet portions of the building to other organizations whose projected use of the Premises conforms to the restrictions under which the CITY acquired the Premises. The CITY must consent in writing prior to execution of any sublease in excess of three (3) days. Any rent received by CLAC shall belong to CLAC.

CLAC may rent the building for special events of less than three (3) days' duration, without prior approval from the CITY. However, users must comply with the CITY's special events policy for use of comparable CITY facilities, such as the recreational center. CLAC shall make copies of this policy available to all users. Any special events rent shall belong to CLAC.

IV. BUILDING ALTERATIONS

The parties acknowledge that CLAC intends to expend significant resources on renovation of the Building. The CITY agrees to assist CLAC, to the extent permissible, in obtaining grant funds for the renovation. All renovations of the Building shall be made in accordance with the terms of the Quitclaim Deed by which the City acquired the Premises and with all State and Federal regulations, including historic preservation regulations which may be imposed by the State or Federal governments. All structural renovations to the Building shall be approved in advance by the CITY.

When renovation is complete, CLAC shall submit an itemization of funds expended to the CITY.

V. UTILITIES, TAXES, AND REPAIRS

In consideration of occupying the Premises rent free, CLAC agrees to pay, when due, the cost of all utilities, including gas, trash collection, water and sewer, telephone, and electricity, incurred in operating the Premises. The CLAC further agrees to pay the cost of all repairs and maintenance required for operation of the Premises, including the cost of those services requested by the CLAC under Paragraph VII(C) of this Agreement, but excluding those services furnished at no cost by the CITY under Paragraph VII(D) of this Agreement. The obligation to pay the expenses set forth in this Article shall begin when the lease is signed.

VI. INSURANCE; DAMAGE OR TOTAL DESTRUCTION OF THE PREMISES

At its expense, CLAC shall procure and keep in effect while this Agreement is in force, public liability and property damage insurance naming the CITY as an additional insured, in minimum amounts of \$1,000,000 dollars for injuries to one person and \$500,000 for property damage resulting from any one occurrence, and to keep the Building fully insured against damage by fire or other casualty. CLAC shall deliver copies of these insurance policies to the CITY before commencement of this lease. This requirement may be met by including CLAC within the ambit of the CITY'S existing insurance, upon such terms and conditions as CLAC and CITY shall agree. In any event, CLAC shall be responsible for obtaining its own insurance on any of its personal property located on the Premises.

If the Building is partially destroyed by any cause whatsoever, CLAC agrees that it will, with all deliberate speed, use the insurance proceeds to repair or rebuild the damaged portion of the Building. If the Building is totally destroyed by any cause whatsoever, CLAC has the option to rebuild the Building, but if this option is not exercised within ninety (90) days of total destruction of the Building, then the CITY may, no later than one hundred eighty (180) days after the total destruction of the Building, elect to use the insurance proceeds to rebuild the Building. If neither CLAC nor the CITY elect to rebuild the Building within one hundred eighty (180) days of total destruction of the Building, the insurance proceeds shall be paid to CLAC and the CITY as their respective interests appear. This Agreement shall then terminate automatically upon the three hundred sixty fifth (365th) day following total destruction of the Building. Upon termination, the obligations of both parties under this Agreement shall cease; however, nothing in this agreement shall be construed to relieve either party of any duty or liability accrued prior to termination.

VII. ADDITIONAL CITY COVENANTS

The CITY agrees:

- A. that it owns the leased Premises in fee simple, and that upon performance by CLAC of all conditions of this Agreement, CLAC may quietly and peaceably enjoy the Premises for the term (and any renewals thereof) of this Agreement.
- B. that CLAC may, without the CITY's consent, decorate (including painting, wallpapering, paneling, and carpeting) the Building, but any structural renovations must be first approved by the CITY.
- C. to furnish at its actual labor and material cost and upon CLAC'S request,

snow removal, lawn mowing, and tree and hedge trimming services. The CITY shall bill CLAC for these services monthly, and CLAC agrees to pay for these services within thirty (30) days of receipt of billing from the CITY.

- D. to furnish other standard municipal services such as maintenance of water and sewer lines and police and fire protection at no cost to CLAC.

VIII. ADDITIONAL CLAC CONVENANTS

CLAC agrees:

- A. to accept the Premises "as is".
- B. not to make structural alterations or additions to the Premises without the prior written consent of the CITY.
- C. to keep the Premises free of liens arising out of services performed or materials furnished for the Premises, and to keep the Premises unencumbered by mortgage debt.
- D. to promptly notify the CITY of any damage to the Premises, and of injuries to persons or damage to property allegedly resulting from defects in the Premises.
- E. in cooperation with the CITY, to operate the art center in compliance with the restrictions in deed under which the CITY has acquired title to the Premises and in accordance with all applicable state, Federal, and local law, and to cooperate with and assist the CITY in complying with the obligations imposed by deed to the CITY.
- F. to maintain the Premises in good condition, at its expense.

IX. RIGHT OF ENTRY; SUMMARY REPOSSESSION

- A. If CLAC breaches any of its obligations under this Agreement, the CITY must give CLAC written notice of the breach, and CLAC shall have ninety (90) days after notice to cure the breach. If CLAC does not cure the breach, the CITY or its agents have the right to enter and repossess the Premises and remove CLAC, either by summary proceedings to recover possession or other lawful means, without prejudice to any additional remedy at law or equity which the CITY may possess.
- B. In the event the Premises are abandoned by CLAC, the CITY has the right, after the notice specified in Paragraph A, to enter without resort to legal proceedings, either by force or otherwise, without being liable for any damages therefor, and to relet the Premises upon such terms and conditions as the CITY can obtain, without prejudice to any additional remedy at law or

equity which the CITY may possess.

X. WAIVER OF SUBROGATION

The CITY and CLAC hereby waive all rights of recovery, claims, or causes of action, against each other, their agents, officers, and employees for any loss or damage that may occur to the Premises by reason of fire, the elements, or any other cause which could be insured against under the terms of standard fire and extended coverage insurance policies, regardless of the cause of origin, including negligence of the parties, their agents, officers, and employees, to the extent such waiver is permitted by the applicable insurance policies.

XI. RENEWAL; AMENDMENTS; TERMINATION

- A. This Agreement may be renewed for additional three-year terms by a resolution of the CITY and CLAC, properly executed and attached to this Agreement. The CITY shall not refuse to renew this Agreement without just cause, which is defined to be:
1. any breach of this lease which CLAC fails to remedy within ninety (90) days after written notice of the breach;
 2. determination by the CITY, after notice and a public hearing, that it is no longer in the public interest to use the Premises as an art center run by CLAC.

In the event either the CITY or CLAC does not intend to renew this agreement, the non-renewing party shall give written notice to the other six (6) months prior to the expiration of this Agreement. The notice must specify the reason for non-renewal. If the CITY elects not to renew the lease, CLAC may continue to occupy the Premises under the existing lease for one additional three-year term and thereafter for a two-year term.

- B. Any amendments to this Agreement must be evidenced by a separate written instrument, properly executed and authorized by both the CITY and CLAC.
- C. Either party may terminate this Agreement for breach. The terminating party must first give the other written notice of the breach, and the breaching party shall have ninety (90) days after notice to cure the breach. In addition, if CLAC determines it is unable to raise sufficient funds to proceed with its renovations, or if CLAC cannot obtain site plan approval from the CITY, it may terminate the lease upon thirty (30) days written notice to the CITY.

- D. Upon termination of this Agreement by non-renewal, mutual consent, for a breach of a condition of this Agreement, or because CLAC cannot raise sufficient funds to proceed with its renovations or obtain site plan approval, the Building, including any structural additions and leasehold improvements, remains the property of the CITY. Personal property, including all artwork, non-attached display cabinetry, furniture, and movable equipment located on the Premises, remains the property of CLAC.

However, upon termination of this Agreement by the CITY because of abandonment, all property, whether real, personal, or mixed, tangible and intangible, located on the Premises, shall become property of the CITY, to be held in trust for the purpose of operating a facility for recreational purposes.

If this agreement is terminated by the CITY, the City will pay CLAC the difference between the value of the building and improvements now, and the value of the building and improvements at the time the lease is terminated. For example, if the building is worth \$1 million now, and in 50 years is worth \$2 million, the City would have to pay CLAC \$1 million. If the building is worth \$1 million now and \$1.5 million in 50 years, the City would have to pay CLAC \$500,000.

In order to determine the difference in value, the CITY and CLAC shall, within 30 days of the execution of this lease, obtain an appraisal of the current value of the building and improvements, from a qualified appraiser to be mutually agreed on by the parties. CLAC shall be responsible for the costs of the appraisal. If the parties cannot agree on an appraiser, they shall each name an appraiser and the two named appraisers will choose a third appraiser. All three appraisers will appraise the property, and the average value of the two closest appraisals shall determine the current value of the building and improvements. The appraisal which is not one of the two closest appraisals shall be rejected. Each party shall pay the costs and expenses of their respective appraisers, and the party whose appraisal is rejected shall pay the costs and expenses of the independent appraiser. If the appraisal of the independent appraiser is rejected, the costs and expenses of the independent appraiser shall be borne equally by the parties. If one party fails, refuses, or otherwise neglects to appoint an appraiser, the other party's appraiser shall solely determine the value of the building. If the lease is terminated by the CITY, the same appraisal procedure will be followed. All appraisals shall consider only the value of the buildings and improvements at the time of the appraisal; land value shall be specifically excluded from the

appraisal.

The parties agree that the appraisal(s) reflecting the current value of the building will be initialed by the parties and attached as an exhibit to this executed lease within ten (10) days after the appraisals have been received.

XII. MISCELLANEOUS COVENANTS

- A. All notices given under this Agreement shall be mailed to the parties at the addresses specified in the Article I of this Agreement, unless a written directive from the party changing its address is mailed to the other party at least ten (10) days prior to the date on which notice is required. It shall be deemed sufficient if all notices are mailed certified mail/return receipt requested/postage prepaid. The postmark determines the date on which notice has been given, notwithstanding that the addressee may actually receive the notice at a later date.
- B. This Agreement shall be construed in all respects according to the laws of the State of Michigan.
- C. This Agreement shall be binding on the parties, their heirs, successors and assigns.

XIII. AUTHORITY TO EXECUTE

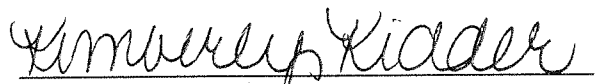
By affixing their signatures below, the named officials aver that they have authority to execute this Agreement on behalf of their respective entities.

THE CITY OF FRANKFORT

Dated: Oct 17, 2007


BY: RICHARD BAYER

ITS: Mayor


BY: KIMBERLY KIDDER

ITS: Clerk/Treasurer

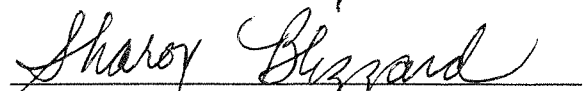
Dated: Oct 17, 2007

CRYSTAL LAKE ART CENTER



BY: ELAINE PETERSON

ITS: President



BY: SHARON BLIZZARD

ITS: Secretary

Exhibit A

QUITCLAIM DEED

The UNITED STATES OF AMERICA, hereinafter referred to as Grantor, acting by and through the Regional Director, National Park Service, Northeast Region with offices at 200 Chestnut Street, Philadelphia, PA 19106, pursuant to authority delegated by the Secretary of the Interior, and as authorized by the Federal Property and Administrative Services Act of 1949, as amended, 40 U.S.C. § 550 (e), and regulations and orders promulgated thereunder, for and in consideration of the use and maintenance of the property herein conveyed exclusively for public park or public recreation purposes in perpetuity by the City of Frankfort, Michigan, hereinafter referred to as Grantee, does hereby remise, release and quitclaim to Grantee, its successors and assigns, subject to the reservations, exceptions, restrictions, conditions and covenants hereinafter set forth, all the right, title and interest of the Grantor in and to the following described property situated and being in the City of Frankfort, County of Benzie, Michigan, together with the improvements thereon, and more particularly bounded and described as follows:

Part of the NE 1/4 of Section 28, T26N, R16W, unplatted City of Frankfort, Benzie County, Michigan.

Commencing at the Northeast corner of said Section, thence North 90 00 00 West, 690.00 feet (also recorded as N 89 58 W) along the North line of said Section; thence South 00 02 00 East, 1159.10 feet (also recorded as S 00 01 36 W, 1158.96 feet, S 00 00 00 W, 1160.38 feet and S 00 02 00 W, 1160.08 feet) to an iron rod and the point of beginning; thence South 00 15 46 West, 175.96 feet (also recorded as S 00 17 45 W, 175.61 feet, S 00 00 00 W, 175.00 feet and S 00 02 00 W, 175.31 feet); thence South 86 57 50 West, 21.56 feet; thence North 89 52 11 West, 162.80 feet to a point which is 5.00 feet Easterly of the Easterly side of a certain concrete wall; thence North 00 04 19 West, 143.70 feet parallel and 5.00 feet Easterly of the Easterly side of said wall to the Northerly side of a concrete wall running Easterly and Westerly; thence North 19 03 39 West, 47.75 feet (also recorded as 47.82 feet) to the Northerly line of the United States Coast Guard boundary; thence South 86 33 07 East, 201.28 feet (also recorded as S 86 37 05 E, S 86 41 00 E, and S 86 36 00 E) to the point of beginning;

Containing 0.78 acres more or less.

The Grantor hereby conveys to the Grantee all the right, title and interest of the Grantor in and to the use of any alleys, streets, ways and gores abutting or adjoining the land.

TOGETHER WITH the appurtenances and improvements thereon, and all the estate and rights of the Grantor in and to said premises, but

SUBJECT TO THE FOLLOWING:

A. Any and all outstanding reservations, easements and rights-of-way, recorded and unrecorded, for public roads, railroads, pipelines, drainage ditches, sewer mains and lines, and all public utilities affecting the property herein conveyed.

B. Any survey discrepancies, conflicts, or shortages in area or boundary lines, or any encroachments, or protrusions, or any overlapping of improvements which may affect the subject property.

TO HAVE AND TO HOLD the above premises, subject to the following specified easements, exceptions, restrictions, conditions, covenants, and reservations reserved in and to the United States of America, herein enumerated and set forth, unto the Grantee, its successors and assigns, forever.

PURSUANT TO AUTHORITY contained in the Federal Property and Administrative Services Act of 1949, as amended, and applicable rules regulations and orders promulgated thereunder, the General Services Administration determined the property to be surplus to the needs of the United States of America and, assigned the property to the Department of the Interior for conveyance to Grantee. It is understood and agreed by and between the Grantor and Grantee, and Grantee by acceptance of this deed does acknowledge that it fully understands the terms and conditions set forth herein and does further covenant and agree for itself, and its successors and assigns, forever, as follows:

1. That the property shall be used and maintained exclusively for public park or public recreation purposes for which it was conveyed in perpetuity in accordance with 41 CFR 101-47.308-7 (n), and as set forth in the program of utilization and plan contained in Grantee's application submitted by Grantee dated June 24, 2005, which program and plan may be amended from time to time at the request of either the Grantor or Grantee, with the written concurrence of the other party, and such amendments shall be added to and become a part of the original application.

2. The Grantee shall, within six months of the date of this deed, erect and maintain a permanent sign or marker near the point of principal access to the conveyed area stating that:

This parkland was acquired through the FEDERAL LANDS TO PARKS PROGRAM of the United States Department of the Interior, National Park Service, for use by the general public.

3. The property shall not be sold, leased, assigned, or otherwise disposed of except to another eligible governmental agency that the Secretary of the Interior agrees in writing can assure the continued use and maintenance of the property for public park or public recreation purposes subject to the same terms and conditions in the original instrument of conveyance. However, nothing in this provision shall preclude the Grantee from providing related recreational facilities and services compatible with the approved application, through concession agreements

entered into with third parties, provided prior concurrence to such agreements is obtained in writing from the Secretary of the Interior.

4. Beginning two years from the date of this conveyance, the Grantee, its successors and assigns, shall submit biennial reports to the Secretary of the Interior setting forth the use made of the property during the preceding two-year period, and other pertinent data establishing its continuous use for the purposes set forth above, for ten consecutive reports and as further determined by the Secretary of the Interior.

5. Revenues generated on this property may not be expended for non-recreation purposes. Until this property has been fully developed in accordance with the Program of Utilization, all revenues generated on this property must be used for the development, operation and maintenance of this property. After this property has been fully developed in accordance with the Program of Utilization, revenue generated on this property may be expended on other recreation properties operated by the Grantee.

6. The National Park Service, and any representative it may so delegate, shall have the right of entry upon said premises at any time to conduct inspections of the property for the purpose of evaluating the Grantee's compliance with the terms and conditions of the conveyance.

7. The Grantee further covenants and agrees to comply with the 1977 Amendments to the Federal Water Pollution Control Act (Clean Water Act of 1977), and Executive Order 11990 (May 24, 1977) for Protection of Wetlands, and Executive Order 11988 (May 24, 1977) for Floodplain Management, where and to the extent said Amendments and Orders are applicable to the property herein conveyed, and Grantee shall be subject to any use restrictions issued under said Amendments and Orders.

8. The Grantee further covenants and agrees for itself, its successors and assigns, to comply with the requirements of Public Law 90-480 (82 Stat. 718), the Architectural Barriers Act of 1968, as amended by Public Law 91-205 of 1970 (84 Stat. 49) and regulations and orders promulgated thereunder, to assure that development of facilities on the property makes such facilities accessible to the physically handicapped; and further assure in accordance with Public Law 93-112, the Rehabilitation Act of 1973 (87 Stat. 394), and Public Law 101-336, the Americans With Disabilities Act of 1990 (104 Stat. 337), that no otherwise qualified handicapped individual shall, solely by reason of his or her handicap, be excluded from the participation in, be denied benefits of, or be subject to discrimination under any program or activity receiving Federal financial assistance.

9. As part of the consideration for this deed, the Grantee covenants and agrees for itself, its successors and assigns, that: (1) the program for or in connection with which this deed is made will be conducted in compliance with, and the Grantee, its successors and assigns, will ~~comply with all requirements imposed by or pursuant to the regulations of the Department of the~~ Interior as in effect on the date of this deed (43 C.F.R. Part 17) issued under the provisions of Title VI of the Civil Rights Act of 1964; (2) this covenant shall be subject in all respects to the provisions of said regulations; (3) the Grantee, its successors and assigns, will promptly take and

continue to take such action as may be necessary to effectuate this covenant; (4) the United States shall have the right to seek judicial enforcement of this covenant; and (5) the Grantee its successors and assigns, will: (a) obtain from each other person (any legal entity) who, through contractual or other arrangements with the Grantee, its successors or assigns is authorized to provide services or benefits under said program, a written agreement pursuant to which such other persons shall, with respect to the services or benefits which he is authorized to provide, undertake for himself the same obligations as those imposed upon the Grantee, its successors and assigns, by this covenant, and (b) furnish a copy of such agreement to the Secretary of the Interior or his successors; and that this covenant shall run with the land hereby conveyed, and shall, in any event, without regard to technical classification or designation, legal or otherwise, be binding to the fullest extent permitted by law and equity for the benefit of and in favor of the Grantor and enforceable by the Grantor against the Grantee, its successors and assigns.

10. HISTORIC PRESERVATION COVENANTS: The Grantee agrees to comply with section 106 of the national historic preservation act of 1966, as amended (16 U.S.C. 470), executive order 11593 (May 13, 1971), and the archaeological and historic preservation act of 1966 (16 U.S.C. 469). The Grantee further agrees to consult with the state historic preservation officer in conducting investigations, as necessary, to identify sites and resources on the property that may be on, nominated to, or eligible for nomination to the national register of historic places, notify the Grantor of the existence of any such sites and resources, and comply with all requirements established by the Grantor to avoid or mitigate adverse effects on such sites or resources. The Grantee, in accepting this Deed, acknowledges and accepts the following historic preservation covenants:

- a) Grantee shall maintain and preserve the Property in accordance with the recommended approaches in *The Secretary of the Interior's Standards for Treatment of Historic Properties, Standards for Preservation*, (Technical Preservation Services for Historic Buildings, National Park Service) in order to preserve and enhance the distinctive materials, features and spaces that caused the Property to be historic.
- b) When rehabilitation is the appropriate treatment, Grantee shall rehabilitate the Property in accordance with the recommended approaches in *The Secretary of the Interior's Standards for Treatment of Historic Properties, Standards for Rehabilitation*, (Technical Preservation Services for Historic Buildings, National Park Service). Rehabilitation is appropriate when repair and replacement of deteriorated features is necessary or when alteration or additions to the property are planned.
- c) Distinctive materials, features, finishes, construction techniques and examples of craftsmanship that characterize the Property shall be preserved.
- d) Plans of proposed rehabilitation, construction, alteration or replacement of distinctive materials, features, finishes or spaces which would affect the appearance or structural integrity of the Property shall be reviewed and approved

by the Secretary in consultation with the SHPO for consistency with *The Secretary of the Interior's Standards for Treatment of Historic Properties*.

- e) Archaeological resources shall be protected and preserved in place. All projects involving ground-disturbing activity shall be reviewed by the SHPO. If such resources must be disturbed, mitigation measures must be undertaken with the express prior written permission of the SHPO.
- f) The Secretary or authorized representative, and the SHPO shall be permitted at all times to inspect the Property in order to ascertain if the above conditions are being observed.
- g) In the event that the Property or any historic artifact associated with the Property ceases to be maintained in compliance with the covenants, conditions and restrictions set forth in this section, the Property shall, at the option of the Grantor, revert to the United States of America to be placed under administrative control of the Grantor.
- h) The covenants, conditions and restrictions contained herein shall be inserted by the Grantee verbatim or by express reference in any deed or other legal instrument by which it divests itself of either the fee simple title or any other lesser estate in the Property.
- i) The failure of the Grantor, the Secretary or the SHPO to exercise any right or remedy granted under this instrument shall not have the effect of waiving or limiting the exercise of any other right or remedy or the use of such right or remedy at any other time.
- j) The covenants, conditions and restrictions set forth in this Historic Preservation Covenant shall constitute a binding servitude upon the Property and shall be deemed to run with the land.

11. ENVIRONMENTAL CONSIDERATIONS:

A. Inclusion Of Provisions: The person or entity to whom the property is transferred shall neither transfer the property, lease the property, nor grant any interest, privilege, or license whatsoever in connection with the property without the inclusion of the environmental protection provisions contained herein, and shall require the inclusion of such environmental protection provisions in all further deeds, transfers, leases, or grant of any interest, privilege, or license.

B. Asbestos: The Grantee, in accepting of this Deed, acknowledges that it has been ~~informed by Grantor that the Property contains asbestos-containing materials, and that Grantee~~ has been provided with the following notice and warning by Grantor. Grantee, in accepting of this Deed, acknowledges that it accepts the transfer and Deed of the Property subject to the terms and conditions contained herein:

(1) The Grantee is warned that the Property contains asbestos-containing materials. Asbestos is a hazardous material. Unprotected exposure to asbestos fibers has been determined to significantly increase the risk of cancer, mesothelioma, and asbestosis. These diseases can cause serious bodily harm resulting in disability or death.

(2) The Grantee is deemed to have relied solely on its own judgment in assessing the overall condition of all or any portion of the Property, including any asbestos hazards or concerns.

(3) No warranties, either express or implied, are given with regard to the condition of the Property including, without limitation, whether the Property does or does not contain asbestos or is or is not safe for a particular purpose. The failure of Grantee to have inspected or to be fully informed as to the condition of all or any portion of the Property shall not constitute grounds for any claim or demand against Grantor.

(4) The description of the Property as set forth herein, and any other information provided with respect to the Property was based on the best information available to the General Services Administration, Property Disposal Division and is believed to be correct, but any error or omission shall not constitute grounds or reason for any claim by Grantee against Grantor, including, without limitation, any claim for allowance, refund or deduction from the purchase price for such Property.

(5) Grantor assumes no liability for damages for personal injury, illness, disability or death to Grantee or to Grantee's employees, invitees, or any other person subject to Grantee's control or direction, or to any other person, including members of the general public, arising from or incident to the purchase, transportation, removal, handling, use, disposition, or other activity causing or leading to contact of any kind whatsoever with asbestos on the Property.

(6) Grantee further agrees by acceptance of the Deed to the Property that, in its use and occupancy of the Property, it will comply with all Federal, state and local laws, ordinances, orders and regulations relating to asbestos.

C. Notice Regarding Hazardous Substance Activity. Pursuant to 40 CFR 373.2 and Section 120(h)(3)(A)(i) of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (CERCLA)(42 U.S.C. 9620 (h)(3)(A)(i)), and based upon a complete search of agency files, the United States gives notice that no hazardous substances have been released or disposed of or stored for one year or more on the Property.

D. CERCLA Covenant. Grantor warrants that all remedial action necessary to protect human health and environment has been taken before the date of this conveyance. Grantor warrants that it shall take any response action found to be necessary after the date of this conveyance regarding hazardous substances located on the Property on the date of this conveyance.

(1) This covenant shall not apply: (a) in any case in which Grantee, its successors or assigns, or any successor in interest to the Property or part thereof is a Potentially Responsible Party (PRP) with respect to the Property immediately prior to the date of this conveyance; or (b) to the extent but only to the extent that such additional response action or part thereof found to be necessary is the result of an act or failure to act of the Grantee, its successors or assigns, or any party in possession after the date of this conveyance that either: (i) results in a release or threatened release of a hazardous substance that was not located on the Property on the date of this conveyance; or (ii) causes or exacerbates the release or threatened release of a hazardous substance the existence and location of which was known and identified to the applicable regulatory authority as of the date of this conveyance.

(2) In the event Grantee, its successors or assigns, seeks to have Grantor conduct or pay for any additional response action, and, as a condition precedent to Grantor incurring any additional cleanup obligation or related expenses, the Grantee, its successors or assigns, shall provide Grantor at least 45 days written notice of such a claim and provide credible evidence that: (a) the associated contamination existed prior to the date of this conveyance; and (b) the need to conduct any additional response action or part thereof was not the result of any act or failure to act by the Grantee, its successors or assigns, or any party in possession.

Reservation of Right of Access. Grantor reserves a right of access to all portions of the Property for environmental investigation, remediation or other corrective action. This reservation includes the right of access to and use of available utilities at reasonable cost to Grantor. These rights shall be exercisable in any case in which a remedial action, response action or corrective action is found to be necessary after the date of this conveyance, or in which access is necessary to carry out a remedial action, response action, or corrective action on adjoining property. Pursuant to this reservation, the United States of America, and its respective officers, agents, employees, contractors and subcontractors shall have the right (upon reasonable advance written notice to the record title owner) to enter upon the Property and conduct investigations and surveys, to include drilling, test-pitting, borings, data and records compilation and other activities related to environmental investigation, and to carry out remedial or removal actions as required or necessary, including but not limited to the installation and operation of monitoring wells, pumping wells, and treatment facilities. Any such entry, including such activities, responses or remedial actions, shall be coordinated with record title owner and shall be performed in a manner that minimizes interruption with activities of authorized occupants.

E. NOTICE OF LEAD-BASED PAINT FOR NON-RESIDENTIAL REAL PROPERTY
CONSTRUCTED PRIOR TO 1978: Every purchaser of any interest in real property on which a building was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead based paint hazards

from risk assessments or inspections in the seller's possession and notify the buyer of any known lead based paint hazards. A risk assessment or inspection for possible lead based paint hazards is recommended prior to converting the property to a residential dwelling.

F. No Liability For Non-U.S. Coast Guard Contamination

Neither the Grantor nor the U.S. Coast Guard shall incur liability for additional response action or corrective action found to be necessary after the date of transfer in any case in which the person or entity to whom the property is transferred, or other non-U.S. Coast Guard entities, is identified as the party responsible for contamination of the property.

12. NAVIGABLE AIRSPACE: Based upon coordination between the General Services Administration and the Federal Aviation Administration (the "FAA") as recommended in House Report Number 95-1053 entitled "FAA Determination of 'No Hazard' for Structures Near Airports," it has been determined that a public airport, Frankfort Dow Memorial Airport, is located within six nautical miles of the Property. There shall be no construction on, or alteration of, the Property unless a determination of "no hazard to air navigation" is issued by the FAA in accordance with Title 14, Code of Federal Regulations, Part 77, "Objects Affecting Navigable Airspace," or under the authority of the Federal Aviation Act of 1958, as amended.

13. CONDITION OF THE PROPERTY: Grantee by its acceptance hereof certifies that it has inspected, is aware of and accepts the condition and state of repair of the property. It is understood and agreed that the property is conveyed "as is" and "where is" without any representation, warranty or guarantee of any kind or nature, express or implied, including, without limitation, any representation, warranty or guarantee as to quantity, quality, character, condition, size or kind, or that the same is in any particular condition, or fit to be used for any particular purpose. Grantee acknowledges that Grantor has made no representation or warranty of any kind concerning the condition or state or repair of the property which has not been fully set out in the deed, and no claim for allowance or deduction upon such grounds will be considered. There is no obligation on the part of the Grantor or the United States of America, acting by and through the Secretary of Homeland Security, United States Department of Homeland Security to make any alterations, repairs, or additions. The Grantor and the United States of America, acting by and through the Secretary of Homeland Security, United States Department of Homeland Security, shall not be liable for any latent or patent defects to or on the hereinabove described real estate (including all improvements located thereon). The Grantee acknowledges that the Grantor has made no representation or warranty concerning the condition or state of repair of the tract of real estate described herein (including all improvements located thereon) nor any agreement or promise to alter, improve, adapt, or repair any portion of the referenced real estate.

14. COVENANT AGAINST DISCRIMINATION: The Grantee, by acceptance of this deed, covenants that it shall not discriminate upon the basis of race, color, religion, or national origin in the use, occupancy, sale, or lease of the property, or in its employment practices conducted thereon. This covenant shall not apply, however, to the lease or rental of a room or rooms within a family dwelling unit, nor shall it apply with respect to religion for premises used

primarily for religious purposes. The United States of America shall be deemed a beneficiary of this covenant without regard to whether it remains the owner of any land or interest therein in the locality of the property hereby conveyed and shall have the sole right to enforce this covenant in any court of competent jurisdiction.

15. RIGHT OF REVERSION: In the event there is a breach of any of the conditions and covenants herein contained by the Grantee, its successors and assigns, whether caused by the legal or other inability of the Grantee, its successors and assigns, to perform said conditions and covenants, or otherwise, all right, title and interest in and to the said premises shall revert to and become the property of the Grantor at its option which, in addition to all other remedies for such breach, shall have the right of entry upon said premises, and the Grantee, its successors and assigns, shall forfeit all right, title and interest in said premises and in any and all of the tenements, hereditaments and appurtenances thereunto belonging; provided, however, that the failure of the Secretary of the Interior to require in any one or more instances complete performance of any of the conditions or covenants shall not be construed as a waiver or relinquishment of such future performance, but the obligation of the Grantee, its successors and assigns, with respect to such future performance shall continue in full force and effect. In the event of a reversion, the Grantee agrees to provide an acceptable level of protection and maintenance of the property until title has actually reverted. Prior to any such reversion, the Grantee further agrees to complete and submit to the Grantor an environmental assessment of the property that sufficiently documents and evaluates its condition in regard to the release of hazardous substances as defined under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (42 U.S.C. Section 9620(H)).

Signature Page Follows

The foregoing conveyance is hereby accepted and the undersigned agrees, by this acceptance, that the City of Frankfort, Michigan, shall assume and be bound by all the obligations, conditions, covenants, and agreements therein contained.

City of Frankfort, Michigan

By: Richard Bayer
Richard Bayer, Mayor

STATE OF MICHIGAN)
)ss
County of Benzie)

On this 30th day of August, 2006, before me, the subscriber, personally appeared Richard Bayer, to me known, and known to me to be the individual described herein and who executed the foregoing instrument, and he thereupon acknowledged to me that he executed the same on behalf of the City of Frankfort, Michigan.

Kimberly K. Kidder

NOTARY PUBLIC

My Commission expires:

KIMBERLY K. KIDDER
Notary Public, Benzie County, MI
My Commission Expires Jul. 25, 2012

EASEMENT

ROADWAY EASEMENT
AT U.S. COAST GUARD STATION FRANKFORT MICHIGAN

THIS INDENTURE, made the 3 day of October 2006 between the United States of America acting by and through the Department of Homeland Security, United States Coast Guard, Civil Engineering Unit Cleveland, 1240 E. 9th Street, Cleveland, Ohio 44199 "Grantor", and the City Frankfort, having its principal office at 412 Main Street, Frankfort, Michigan 49635 "Grantee".

WHEREAS, Grantor owns certain real property known as the U. S. Coast Guard Station Frankfort, 100 Coast Guard Road, Frankfort, Michigan ("the Station") which is Part of NE ¼ of Section 28, T26N, R16W, Unplatted City of Frankfort, Benzie County, Michigan, as shown in the attached "Exhibit A" incorporated herein;

WHEREAS, the Grantee has requested the conveyance of an "Easement" for roadway access through a portion of the Station, and

WHEREAS, the Commander, Maintenance and Logistics Command Atlantic has found that the grant of such easement on the terms and conditions hereinafter stated is not incompatible with the public interest.

WITNESSETH

The Grantor, in consideration of One Dollar (\$1.00), the receipt of which is hereby acknowledged, has granted and released and does hereby grant and release to Grantee, its successors and assigns pursuant to the authority of Title 14 United States Code § 93(o) and Title 14 United States Code §§ 319 to 319c, the non-exclusive right of way and easement for roadway access through the Station, the said easement strip being located as indicated in Exhibit A,

Grantee shall ensure that all of its activities involving the easement are in compliance with all existing, and any future, applicable environmental, historical, and cultural protection statutes and regulations, including, but not limited to the Federal Water Pollution control Act, 33 U.S.C. 1251 *et seq*; the Clean Air Act, 42 U.S.C. § 7401 *et seq*; the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 *et seq*; the Toxic Substance Control Act, 15 U.S.C. § 2601 *et seq*; the Coastal Zone Management Act, 16 U.S.C. § 1451 *et seq*; the Federal Insecticide, Fungicide and Rodenticide Act, 7 U.S.C. § 136 *et seq*; and the Endangered Species Act, 16 U.S.C. § 470 *et seq*, as well as any applicable state or local laws or regulations.

Grantee is solely responsible for obtaining any state or local permits or licenses necessary for its proposed use of the property.

In exercising its rights under this Easement, Grantee may not unlawfully pollute the air, ground, or water, nor create a public nuisance. In exercising its rights under this Easement, Grantee shall, at no cost to the United States of America, promptly comply with all applicable federal, state, and local laws, regulations or directives regulating the quality of the environment. This does not affect Grantee's right to contest the validity of such laws, regulations, or directives or to try to enjoin their applicability.

Grantee shall use all required means to protect the environment and natural resources from any damage arising from Grantee's use of the easement and activities incident to such use. If any such damage results to the environment or natural resources, Grantee shall restore the environment or damaged resources. Grantee shall be solely responsible for all environmental cleanup costs and any claims for damage done to any natural resources resulting from Grantee's use of the easement and activities incident to such use. Grantee shall indemnify the United States of America and hold it harmless from any claims for environmental cleanup or natural resource damage that may be made against the Government resulting from Grantee's use of the easement and activities incident to such use.

Grantor also conveys to Grantee the right of way for the passage of people, vehicles, and machines as shall be deemed as necessary for the maintenance of Grantee's facilities and as a covenant running with the land hereby for this Grantee, its successors and assigns. Grantee shall not allow parking of any vehicles on the easement area nor allow any obstruction to occur on the easement area. Grantee's rights of passage and access to the easement strip shall be subject to such reasonable rules and regulations as may be promulgated by Grantor to insure that the exercise of such rights shall not interfere with Grantor's present or planned operations or security at the Station.

Grantee agrees to save, hold, keep harmless, and indemnify Grantor from and against any and all payments, expenses, costs, attorney's fees, and from and against any and all claims and liability for losses or damage to property or injuries to persons occasioned wholly or in part by, or resulting for any acts or omissions by Grantee or Grantee's agents, employees, guests, licensees, or invitees arising out of or by reason of the use, occupancy, or maintenance of the easement strip by Grantee. In addition, Grantor, in the manner and to the extent provided by the Federal Tort Claims Act, 28 U.S.C. § 2671-2680, shall be liable for damage or loss of property, personal injury or death caused by the acts or omissions of Grantor, its officers, employees and agents in the use of the easement site.

All or any part of the easement granted herein may be terminated upon the failure on the part of Grantee to comply with any of the terms and conditions of this grant, or nonuse of the easement for a consecutive two-year period or abandonment of the easement, provided however, that if Grantor intends to terminate the easement it shall so advise Grantee in writing with the reasons stated therein at least 30 days prior to the contemplated date of termination, and said terms and conditions of the easement to the reasonable satisfaction of Grantor in a reasonable amount of time. For purposes of this paragraph, "nonuse" shall mean the failure of Grantee to access its property through use the roadway easement.

Grantee's rights shall be subject to such reasonable rules and regulation as may be promulgated by the Grantor to ensure that the exercise of such rights shall not interfere with the Grantor's activities or security at the Station.

Grantee, its successors in interest and assigns, as part of the consideration hereof and as a term and condition of this easement, does hereby covenant and agree that (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of or be otherwise subjected to discrimination in the use of the easement, (2) that in the construction of any improvements on, over or under the easement area and the furnishing or services thereon, no person on the grounds of race, color or national origin shall be excluded from participation in denied the benefits of or otherwise be subjected to discrimination, (3) that the Grantee shall use the easement area in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Homeland Security, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-assisted programs of the Department of Homeland Security-Effectuation of Title VI of the Civil Rights Act of 1964 and as the Regulations may be amended.

a. The Grantee has executed the Standard Department of Homeland Security Title VI Assurances, an executed copy of which is attached and made a part of this easement. The Grantee accepts the provisions of the Assurances as part of the terms, conditions and covenants of this easement.

b. In the event of breach of any of the terms, conditions or covenants of the Standard Department of Homeland Security Title VI Assurances, the Government shall have the right to terminate the easement, and re-enter and repossess the easement area and the facilities located thereon and hold the same as if the easement had never been made or issued.

This grant of easement is made subject to all restrictions and encumbrances of record insofar as now in force and applicable.

TO HAVE AND TO HOLD the rights hereby unto the said Grantee, its successors and assigns, forever.

IN WITNESS WHEREOF, the City of Frankfort has caused this instrument to be executed as of the day and year first above written.

CITY OF FRANKFORT

By: Kimberly Kiddle
Its: City Clerk

Acknowledged before me in Benzie County, Michigan, on Oct. 3rd, 2006 by

Amy Gurn, of City of Frankfort, on behalf of the City of Frankfort.

Amy Gurn
Notary Public
Benzie County, Michigan
Acting in Benzie County
My commission expires: 06/01/2012

IN WITNESS WHEREOF, the Government, acting by and through the United States Coast Guard, has caused this instrument to be executed the day and year first above written.

THE UNITED STATES OF AMERICA

By Laurette Tully
Laurette Tully
Realty Specialist, U.S. Coast Guard
Civil Engineering Unit Cleveland

Acknowledged before me in Cuyahoga County, Ohio, on Oct 3, 2006,
By LAURETTE TULLY, who executed the above instrument as his/her voluntary act
and deed under legal and proper delegation of authority by the United States of America
pursuant to 14 U.S.C. § 93(o) and 14 U.S.C. § 319-319(c) for the uses and purposes therein
expressed.

Ivana D. Kindrat
Notary Public

Cuyahoga County, Ohio

Acting in Cuyahoga County

My commission expires: 5-14-2011

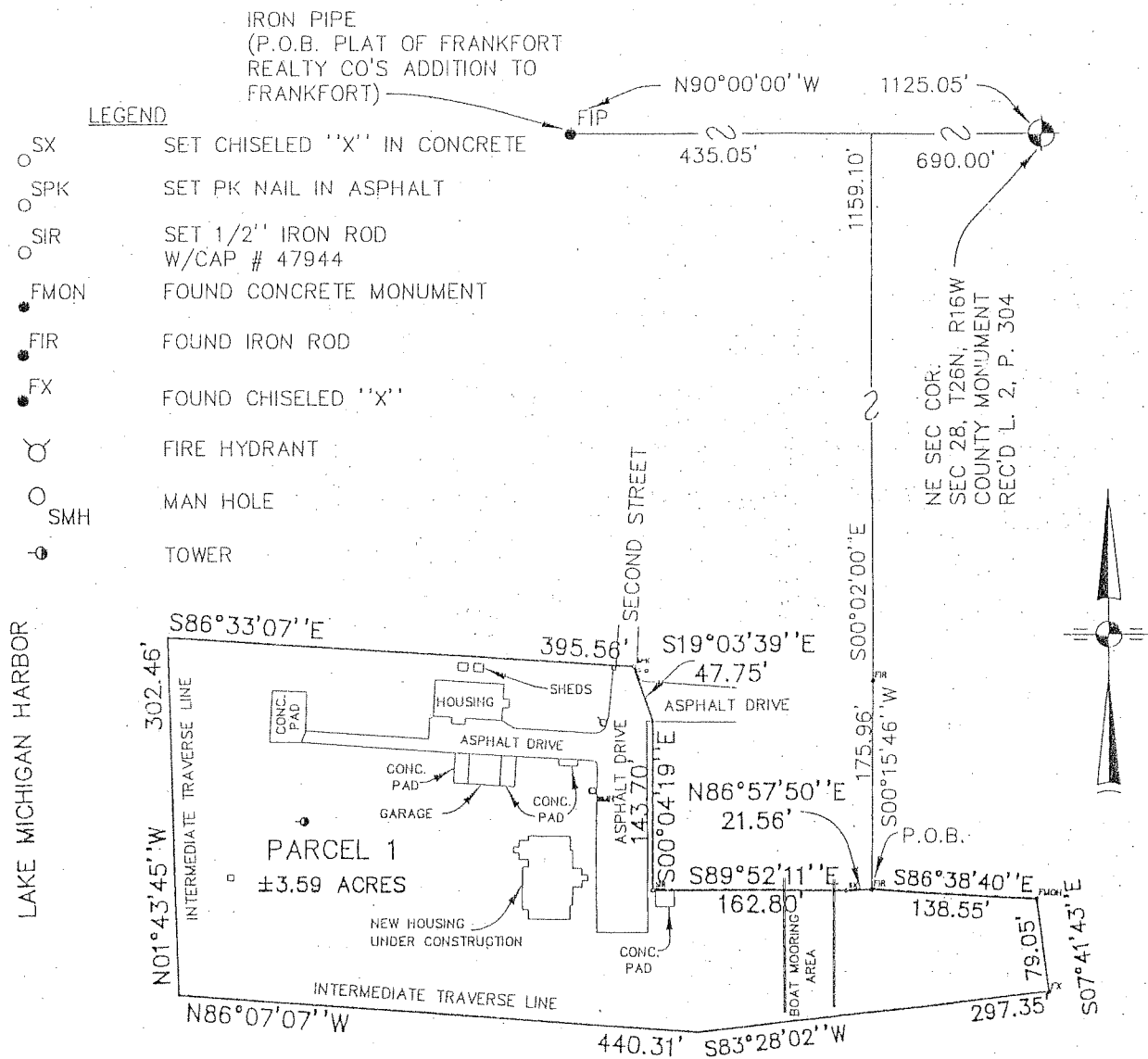
This instrument was drafted by:

Laurette Tully
United States Coast Guard
Civil Engineering Unit
1240 E. 9th Street
Cleveland, Ohio 44199

CERTIFICATE OF SURVEY

I, PATRICK G. BENTLEY, A LICENSED PROFESSIONAL SURVEYOR, NUMBER 47944, IN MICHIGAN, CERTIFY THAT THIS DRAWING IS AN ACCURATE REPRESENTATION OF A BOUNDARY SURVEY PERFORMED UNDER MY DIRECTION FOR THE FOLLOWING DESCRIBED PARCEL OF LAND:

SEE SHEET 2 OF 4 FOR LEGAL DESCRIPTION.



STANDARD DOT TITLE VI ASSURANCES

The Recipient HEREBY AGREES THAT as a condition to receiving any Federal financial assistance from the Department of Transportation it will comply with Title VI of the Civil Rights Act of 1964, 78 Stat. 252, 42 U.S.C. 2000d to 2000d-4 (hereinafter referred to as the ACT), and all requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation - Effectuation of Title VI of the Civil Rights Act of 1964 (hereinafter referred to as the Regulations) and other pertinent directives, to the end that in accordance with the Act, Regulations, and other pertinent directives, no person in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the Recipient received Federal financial assistance from the Department of Transportation, including the United States Coast Guard, and HEREBY GIVES ASSURANCE THAT it will promptly take any measures necessary to effectuate this agreement. This assurance is required by subsection 21.7(a)(1) of the Regulations.

More specifically and without limiting the above general assurance, the Recipient hereby gives the following specific assurances with respect to its program.

1. That the Recipient agrees that each "program" and each "facility" as defined in subsections 21.23(3) and 21.23(b) of the Regulations, will be (with regard to a "facility") operated in compliance with all requirements imposed by, or pursuant to, the Regulations.

2. That the Recipient shall insert the following notification in all solicitations for bids for work or material subject to the Regulations and made in connection with each program and, in adapted form in all proposals for negotiated agreements:

The Recipient, in accordance with Title VI of the Civil Rights Act of 1964, 78 Stat. 252, 42 U.S.C. 2000d to 2000d-4 and Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally assisted programs of the Department of Transportation issued pursuant to such Act, hereby notifies all bidders that it will affirmatively insure that in any contract entered into pursuant to this advertisement, minority business enterprises will be afforded full opportunity to submit bids in response to this invitation and will not be discriminated against on the grounds of race, color, or national

origin in consideration for an award.

3. That the Recipient shall insert the clauses of Appendix A of this assurance in every contract subject to the Act and the Regulations.

4. That the Recipient shall insert the clauses of Appendix B of this assurance, as a covenant running with the land, in any deed from the United States effecting a transfer of real property, structures, or improvements thereon, or interest therein.

5. That where the Recipient receives Federal financial assistance to construct a facility, or part of a facility, the assurance shall extend to the entire facility and facilities operated in connection therewith.

6. That where the Recipient receives federal financial assistance in the form, or for the acquisition of real property or an interest in real property, the assurance shall extend to rights to space on, over or under such property.

7. That the Recipient shall include the appropriate clauses set forth in Appendix C of this assurance, as a covenant running with the land, in any future deeds, lease, permits, licenses, and similar agreements entered into by the Recipient with other parties: (a) for the subsequent transfer of real property acquired or improved under each program and (b) for the construction or use of or access to space on, over or under real property acquired, or improved under each program.

8. That this assurance obligates the Recipient for the period during which Federal financial assistance is extended to the program, except where the federal financial assistance is to provide, or is in the form of, personal property, or real property or interest therein or structures or improvements thereon, in which case the assurance obligates the Recipient or any transferee for the longer of the following periods: (a) the period during which the property is used for a purpose for which the federal financial assistance is extended, or for another purpose involving the provision of similar services or benefits; or (b) the period during which the Recipient retains ownership or possession of the property.

9. The Recipient shall provide for such methods of administration for the program as are found by the Secretary of ~~Transportation or the official to whom he delegates specific~~ authority to give reasonable guarantee that it, other recipients, subgrantees, contractors, subcontractors, transferees, successors in interest, and other participants of Federal financial

assistance under such programs will comply with all requirements imposed or pursuant to the Act, the Regulations and this assurance.

10. The Recipient agrees that the United States has a right to seek judicial enforcement with regard to any matter arising under the Act, the Regulations, and this assurance. THIS ASSURANCE is given in consideration of and for the purpose of obtaining any and all federal grants, loans, contracts, property, discounts or other federal financial assistance extended after the date hereof to the Recipient by the Department of Transportation under the program and is binding on it, other Recipients, subgrantees, contractors, subcontractors, transferees, successors in interest and other participants in the program.

The person or persons whose signatures appear below are authorized to sign this assurance on behalf of the Recipient.

Dated 3/13/06


Recipient

Attachments: (1) Appendix A, B and C

APPENDIX A

During the performance of this contract, the contractor, for itself, its assignees and successors in interest (hereinafter referred to as the "contractor") agrees as follows:

1. Compliance with Regulations: The contractor shall comply with the Regulations relative to nondiscrimination in federally-assisted programs of the Department of Transportation (hereinafter, "DOT") Title 49, Code of Federal Regulations, Part 21, as they may be amended from time to time, (hereinafter referred to as the Regulations), which are herein incorporated by reference and made a part of this contract.

2. Nondiscrimination: The contractor, with regard to the work performed by it during the contract, shall not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The contractor shall not participate either directly or indirectly in the discrimination prohibited by section 21.5 of the Regulations, including employment practices when the contract covers a program set forth in Appendix B of the regulations.

3. Solicitations for Subcontractors, Including Procurements of Materials and Equipment: In all solicitations either by competitive bidding or negotiation made by the contractor for work to be performed under a subcontract, including procurements of materials or leases of equipment, each potential subcontractor or supplier shall be notified by the contractor of the contractor's obligations under this contract and the Regulations relative to nondiscrimination on the grounds of race, color, or national origin.

4. Information and Reports: The contractor shall provide all information and reports required by the Regulations or directives issued pursuant thereto, and shall permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Recipient or the United States Coast Guard to be pertinent to ascertain compliance with such Regulations, orders and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish this information, the contractor shall so certify to the Recipient, or the United States Coast Guard, as appropriate, and shall set forth what efforts it has made to obtain the information.

5. Sanctions for Noncompliance: In the event of the contractor's noncompliance with the nondiscrimination provisions of this contract, the Recipient shall impose such contract sanctions as it or the United States Coast Guard may determine to be appropriate, including, but not limited to:

(a) Withholding of payments to the contractor under the contract until the contractor complies; and/or

(b) Cancellation, termination or suspension of the contract, in whole or in part.

6. Incorporation of Provisions: The contractor shall include the provisions of paragraphs (1) through (6) in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Regulations, or directives issued pursuant thereto. The contractor shall take such action with respect to any subcontract or procurement as the Recipient or the United States Coast Guard may direct as a means of enforcing such provisions including sanctions for noncompliance: Provided, however, that, in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or supplier as a result of such direction, the contractor may request the Recipient to enter into such litigation to protect the interests of the Recipient, and, in addition, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

APPENDIX B

The following clauses shall be included in any and all deeds effecting or recording the transfer of real property, structures or improvements thereon, or interest therein from the United States.

GRANTING CLAUSE

NOW, THEREFORE, the Department of Transportation, as authorized by law, and upon the condition that the Recipient will accept title to the lands and maintain the project constructed thereon, in accordance with the Appropriate Legislative Authority, the Regulations for the Administration of this program and the policies and procedures prescribed by the United States Coast Guard of the Department of Transportation and, also in accordance with and in compliance with all requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-assisted programs of the Department of Transportation (hereinafter referred to as the Regulations) pertaining to and effectuating the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252; 42 U.S.C. 2000d to 2000d-4), does hereby remise, release, quitclaim and convey unto the Recipient all right, title and interest of the Department of Transportation in and to said lands described in Exhibit "A" attached hereto and made a part hereof.

HABENDUM CLAUSE

TO HAVE AND TO HOLD said lands and interests therein unto Recipient and its successors forever, subject, however, to the covenants, conditions, restrictions and reservations herein contained as follows, which will remain in effect for the period during which the real property or structures are used for a purpose for which Federal financial assistance is extended or for another purpose involving the provision of similar services or benefits and shall be binding on the Recipient, its successors and assigns.

The Recipient, in consideration of the conveyance of said lands and interest in lands, does hereby covenant and agree as a covenant running with the land for itself, its successors and assigns that (1) no person shall on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination with regard to any facility located wholly or in part on, over or under such lands hereby conveyed (,) (and)* (2) that the Recipient shall use the lands and interests in lands and interests in lands so conveyed, in compliance with all requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-assisted programs of the Department of Transportation - Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended, and (3) that in the event of breach of any of the above-mentioned nondiscrimination conditions, the Department shall have a right to reenter said lands and facilities on said land, and the above described land and facilities shall thereon revert to and vest in and become the absolute property of the Department of Transportation and its assigns as such interest existed prior to this instruction.*

- * Reverter clause and related language to be used only when it is determined that such a clause is necessary in order to effectuate the purposes of Title VI of the Civil Rights Act of 1964.

APPENDIX C

The Recipient for himself, his heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree (in the case of deeds and leases add "as a covenant running with the land") that in the event facilities are constructed, maintained, or otherwise operated on the said property described in this agreement for a purpose for which a Department of Transportation program or activity is extended or for another purpose involving the provision of similar services or benefits, the Recipient shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in federally-assisted programs of the Department of Transportation Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

The Recipient for himself, his personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree (in the case of deeds, and leases add "as a covenant running with the land") that (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on over or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that the Recipient shall use the premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-assisted programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964), and as said Regulation may be amended.

That in the event of breach of any of the above nondiscrimination covenants, the Government shall have the right to terminate the agreement and to reenter and repossess said land and facilities thereon, and hold the same as if said agreement had never been made or issued.

That in the event of breach of any of the above nondiscrimination covenants, the Government shall have the right to reenter said land and facilities thereon, and the above described lands and facilities shall thereupon revert to and vest in and become the absolute property of the Government and its assigns.