

LICENSE AGREEMENT

This License Agreement (hereinafter referred to as the "Agreement") is entered into as of the seventeenth (17th) day of October, 2017, by and between Woods Hole, Martha's Vineyard and Nantucket Steamship Authority (hereinafter referred to as the "Authority") and Cape & Islands Transport, Inc. (hereinafter referred to as the "Licensee").

WHEREAS, Licensee desires to operate a seasonal passenger transportation service with the Motor Vessel PIED PIPER, (hereinafter referred to as the "Vessel"), directly between Falmouth Inner Harbor, Falmouth and Edgartown Memorial Wharf, Edgartown during portions of 2018, 2019 and 2020 (hereinafter referred to as the "Services"); and

WHEREAS, the Authority is willing to consent to the provision of the Services under the conditions and provisions set forth herein;

NOW, THEREFORE, in consideration of the provisions hereof and the mutual promises contained herein, the parties agree as follows:

1. License Provided to Licensee by the Authority.

In the exercise of its discretion, as necessary or desirable to serve the purposes of chapter 701 of the Acts of 1960, as amended, the Authority hereby licenses Licensee to provide the Services, subject to the terms and provisions of this Agreement. This license is granted only to Licensee for such Services provided by the Vessel herein specified, and is not transferable or assignable to any other person, entity or vessel without the express written approval of the Authority. During the term of this Agreement, Licensee agrees that neither the Vessel nor any other vessel owned or operated by Licensee will be operated for hire between the mainland of The Commonwealth and the island of Nantucket, or between the mainland of The Commonwealth and the island of Martha's Vineyard, or between said islands, except in strict accordance with the terms and provisions hereof or the terms of another License Agreement entered into between the Authority and Licensee; and, further, that Licensee shall not enter into any contract or other commitment for the construction, purchase, lease or charter of any vessel intended to replace or supplement the Vessel in connection with the provision of the Services without first obtaining the Authority's written approval of such contract or other commitment. Without limiting the preceding sentence, Licensee agrees that it and any of its affiliates with a common controlling interest are prohibited from operating any other ferry service between the Massachusetts mainland and either Nantucket or Martha's Vineyard (or between said islands), including service with a vessel with a capacity of fewer than forty (40) passengers; provided, however, that upon reasonable advance notice, the Authority's General Manager, at his sole discretion and judgment, may approve the operation by Licensee or one of its affiliates of:

- (a) an occasional charter trip between the Massachusetts mainland and either Nantucket or Martha's Vineyard (or between said islands), provided that the passengers carried on the charter trip are included in the number of passengers for which Licensee is required to pay a license fee; and/of
- (b) a scheduled ferry service between the Massachusetts mainland and either Nantucket or Martha's Vineyard (or between said islands), provided that the passengers carried on the ferry are included in the number of passengers for which Licensee is required to pay a license fee and the ferry has a capacity of fewer than forty (40) passengers.

2. Agreement to Provide the Services.

Safe operating conditions permitting, Licensee shall provide the Services in accordance with the schedule attached hereto and marked as Exhibit A. Any and all changes to Licensee's schedule of licensed trips shall be subject to the approval of the Authority. Licensee agrees that in providing the Services, it will not carry more than one hundred (100) passengers per trip on the Vessel, except as specifically permitted and set forth in Exhibit A. Licensee also agrees that, in the event it anticipates that any four or more consecutive one-way trips (two round trips) of the Vessel will be cancelled for weather-related, mechanical or any other reason, or if any four or more consecutive one-way trips are cancelled, Licensee will immediately notify the Authority of such anticipated or actual cancellations, as the case may be.

3. Limitation on the Services.

The Services provided by Licensee shall not include the carriage of motor vehicles, freight or mopeds.

4. Shoreside Facilities.

Licensee agrees that it shall obtain and comply with all applicable permits, licenses, approvals and regulations of federal, state and local authorities necessary for the operation of its shoreside facilities that are used in connection with the Services, including but not limited to all regulations promulgated by the Massachusetts Architectural Access Board regarding transportation terminals (521 CMR 18) as may be applicable to Licensee's operations. Licensee also agrees that it is not authorized to use the Authority's dockage facilities, wharves, piers, or any other property, either real or personal, in any way.

5. License Fees and Reporting Requirements.

The Authority shall receive payments from Licensee for each passenger carried on the Vessel on a one-way basis between Falmouth and Edgartown, or vice versa, in the amounts set forth in the License Fee Formula attached hereto and marked as Exhibit B, which payments shall be retained by the Authority as License Fees. Further:

- (a) For the purposes of this Article, "passengers" shall not include employees of Licensee.
- (b) Licensee agrees to provide the Authority with monthly reports as to the number of passengers transported on the Vessel on a trip-by-trip basis. Each report will be provided to the Authority by the first week of the following month, and any payment of License Fees due to the Authority based upon the passengers shown to have been transported in that report shall be due on the fifteenth (15th) day of that following month.
- (c) Licensee also agrees to permit the Authority, through its General Manager or any other person designated by the General Manager, to enter onto Licensee's property and facilities and to review Licensee's records and operations at any time to determine the accuracy of the aforesaid reports or to verify Licensee's compliance with its obligations under this Agreement.
- (d) Notwithstanding and without limiting any other provision of this Agreement, the Authority may terminate this Agreement whenever any report due under this Article is more than five (5) days overdue, or whenever any amount not reasonably disputed by Licensee to be due under this Article is more than seven (7) days overdue, provided that the Authority has given Licensee three (3) business days' notice that the said report or amount is overdue.

6. No Requirement to Provide or Use Authority Employees.

Licensee shall not be required to hire, nor shall the Authority be required to provide, any employee of the Authority for the provision of the Services hereunder.

7. Provisions Governing Sale of Tickets.

Licensee shall be solely responsible for the sale of passenger and bicycle tickets for passage aboard the Vessel. The Authority shall in no way be responsible for the sale of such tickets.

8. Recognition of the Authority's Statutory Responsibilities.

Licensee acknowledges that it is the statutory responsibility of the Authority to provide adequate transportation of persons and necessities of life for the islands of Nantucket and Martha's Vineyard. If the provision of the Services adversely affects the ability of the Authority to fulfill its statutory responsibilities, the Authority shall so notify Licensee and attempt to resolve the matter. If the matter is not so resolved within ten (10) days after the service of such notice, the Authority may terminate this Agreement immediately upon the expiration of the aforesaid ten (10) days. It is also acknowledged by Licensee that the Authority from time to time may change, in its sole discretion, its schedules of operations and, as a consequence, may require Licensee to change its licensed trips so that they neither conflict with those of the Authority nor cause undue congestion in Falmouth Inner Harbor, Edgartown Harbor, or any harbors, bays or waters traveled by the Authority's vessels. Licensee also acknowledges that the Authority may require Licensee to change its licensed trips so that the Vessel's sailings from Falmouth Inner Harbor follow, rather than precede or coincide with, the scheduled departures of the M/V ISLAND QUEEN.

9. Compliance with All Applicable Laws and Regulations.

Licensee warrants that the Vessel shall be operated with all necessary permits, licenses and approvals of federal, state and local authorities necessary for the operation of the Vessel and the provision of the Services, and that the Vessel shall be operated in compliance with all applicable laws and regulations, including but in no way limited to all laws and regulations pertaining to:

- (a) the installation and operation of marine sanitation devices to prevent the pollution of harbors due to the discharge of waste into the water; and
- (b) the carrying of an appropriate amount of lifesaving and firefighting equipment on the Vessel.

Licensee also warrants that it shall conform to such instructions given by the harbor master of each port served by the Vessel with respect to the Vessel's speed and operation, having due regard for the safety of the public and the use of the water by others. Licensee also warrants that the Vessel shall be accessible to, functional for, and safe for use by physically handicapped persons; that no person shall be permitted to smoke in or upon the Vessel, in accordance with the provisions of section 43A of chapter 272 of the Massachusetts General Laws; and that the Vessel shall be outfitted with a sufficient number of life floats or buoyant apparatuses for all persons on board.

10. Termination of Agreement for Cause.

This Agreement and the license issued hereunder may be terminated by the Authority at any time for cause. Cause shall include but in no way be limited to:

- (a) Any material breach by Licensee of any of its obligations under this Agreement;
- (b) Any assignment by Licensee, or the execution of any trust indenture and security agreement or similar instrument, for the benefit of creditors;
- (c) A filing by Licensee of any petition for bankruptcy or reorganization;
- (d) A filing of any petition against Licensee for its adjudication as bankrupt, if such petition is not dismissed within thirty (30) days after its filing;
- (e) A declaration that Licensee is insolvent according to law;
- (f) An appointment of a receiver or similar officer to take care of any of Licensee's property;
- (g) The taking of any property used by Licensee in connection with the Services on execution or by other process of law;
- (h) The failure by Licensee, for a period of ten (10) days after notice thereof, to keep, perform and observe each and every promise, covenant and agreement contained herein on its part to be kept, performed or observed;
- (i) An interruption of the Services for any reason for a period of thirty (30) consecutive days; and/or
- (j) A determination by a court of competent jurisdiction or an appropriate regulatory governmental agency that the Services are in any way unauthorized by, or in violation of, any provision of law or any regulation promulgated thereunder.

The waiver of, or failure to exercise, the rights so to terminate this Agreement in the event of any event or events constituting cause for termination shall not impair or prejudice, or be, or be construed as, a waiver of the right so to terminate this Agreement in the event of any subsequent event or events constituting cause for termination.

11. Cessation of the Services upon the Agreement's Termination.

Within ten (10) days after service of written notice by the Authority of the termination of this Agreement and the license issued hereunder for cause pursuant to the provisions of Article 10, Licensee shall cease providing the Services and also shall cease all other actions licensed and permitted by this Agreement. In addition, upon receipt of written notice by the Authority of its

termination of this Agreement and the license issued hereunder pursuant to the provisions of Article 5 and/or Article 8, Licensee immediately shall cease providing the Services and also shall immediately cease all other actions licensed and permitted by this Agreement. In the event of any termination of this Agreement under the provisions of Article 5 and/or Article 8 and/or Article 10, Licensee agrees that:

- (a) It shall have no remedy at law or in equity against the Authority or its Members for specific performance of this Agreement or the license issued hereunder;
- (b) The Authority will be irreparably harmed by any continuation of the Services by Licensee and/or the continuation by Licensee of any other actions licensed or permitted by this Agreement;
- (c) The Authority will be entitled to equitable and injunctive relief restraining and prohibiting any continuation of the Services by Licensee and/or the continuation by Licensee of any other actions licensed or permitted under this Agreement and/or any operation of the Vessel between the mainland of The Commonwealth and the island of Nantucket, or between the mainland of The Commonwealth and the island of Martha's Vineyard, or between said islands, except as otherwise permitted under Section 5 of the Authority's enabling act, chapter 701 of the Acts of 1960, as amended, or another License Agreement entered into between the Authority and Licensee.

Further, any remaining reports due from Licensee and any remaining amounts payable by Licensee shall be due and payable within seven (7) days of said termination and all other obligations of the parties shall cease.

12. Assignments.

Neither this Agreement, nor the license issued hereunder, nor any rights created thereby, may be assigned by either party without the consent of the other, and no assignment by operation of law shall be effective without such consent.

13. Notices and Communications.

Any and all notices and communications required by or in any way connected with or related to this Agreement shall be in writing and shall be deemed to have been duly served when hand delivered or, if mailed by certified or registered mail, two business days after being so mailed, as the case may be, addressed as follows:

If to the Authority, to

Robert B. Davis, General Manager
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority
P.O. Box 284
Foot of Railroad Avenue
Woods Hole, Massachusetts 02543

If to Licensee, to

Vincent Geoffroy, President
Cape & Islands Transport, Inc.
278 Scranton Avenue
Falmouth, Massachusetts 02540

Mark Jones, General Manager
Cape & Islands Transport, Inc.
278 Scranton Avenue
Falmouth, Massachusetts 02540

Either party may, by notice to the other given as herein required, designate a different and one additional address for the purpose of said notices and communications.

14. Reimbursement of the Authority's Expenses.

Licensee shall reimburse the Authority for any expenses which the Authority incurs that are directly related to Licensee's provision of the Services. Bills for reimbursement may be submitted weekly, and payment shall be made on or before the seventh day following receipt by Licensee of any bill submitted in accordance herewith. Such expenses include but are in no way limited to any towing expenses incurred by the Authority for the Vessel, reasonable expenses incurred by the Authority on account of the Vessel's delayed arrival or departure, and expenses incurred by the Authority at the request of Licensee. Such expenses, however, shall not include increased overhead which cannot directly be attributed to the Services or the Authority's costs of administering the license, except to the extent provided for under Article 16.

15. No Responsibility of the Authority to Perform Any Services.

The Authority shall have no responsibility to perform any services in connection with the operation of the Vessel, or in connection with the Services. Nothing in this Agreement shall in any way be construed as or constitute a partnership or joint venture between the parties hereto or shall in any way impose upon the Authority any obligations or liability for the debts, conduct or obligations of Licensee. All persons employed by Licensee in the performance of the Services shall be employees of Licensee, and not of the Authority, and they shall be subject to the exclusive control and direction of Licensee. Licensee shall not, in advertising or other promotional activities, or in any other actions or activities in connection with the Services, contract in the name of the Authority or suggest that the Authority in any way provides or is responsible for the Services.

16. Indemnification Provisions.

Licensee expressly agrees to indemnify, hold harmless, reimburse and defend the Authority at all times against any claims, costs, expenses, liabilities, obligations, losses and/or damages (including, but not limited to, legal fees incurred in connection therewith) of any nature, incurred by or imposed upon the Authority which results, arises out of or is based upon:

- (a) any misrepresentation made by Licensee in this Agreement or in any document submitted by Licensee to the Authority in connection herewith;
- (b) any material breach by Licensee of any of its obligations under this Agreement; and/or
- (c) any failure by Licensee to keep, perform and observe each and every promise, covenant and agreement contained herein on its part to be kept, performed or observed.

17. Insurance Requirements.

Licensee agrees to procure and maintain public liability insurance coverage during the term of this Agreement with a limit of no less than \$2,000,000 per occurrence, combined single limit for bodily injury and property damage. A certified copy of each policy, or a certificate evidencing the existence thereof, shall be delivered to the Authority within ten (10) days after the execution of this Agreement. Licensee also warrants that it shall report to the Authority in writing all accidents in which it is involved resulting in loss of life or serious personal injury or considerable property damage promptly after their occurrence.

18. Express Limitation on the Term of the Agreement.

Licensee expressly agrees that nothing in this Agreement, whether standing alone or in combination with other events, agreements, instruments, documents or understandings, entitles Licensee to any extension of the Services beyond September 7, 2020, and that the Authority shall in no way be obligated to license Licensee to operate any transportation service after September 7, 2020. Any license for services subsequent to September 7, 2020 may be granted only by an instrument of equal formality signed by the duly authorized representatives of the respective parties.

19. Licensee's Compliance with Tax Laws.

Licensee agrees that during the term of this Agreement it shall comply with all laws of The Commonwealth of Massachusetts relating to taxes, the reporting of employees and contractors, and the withholding and remitting of child support.

20. Licensee's Agreement Not to Use Confusing Business Names.

During the term of this Agreement, Licensee agrees not to use the name "Falmouth Ferry Service" or any other name which might create confusion with the public between its service and the service provided by Island Commuter Corp. The use of any and all trade names and "d/b/a's" by Licensee during the term of this Agreement shall be subject to the Authority's approval, which approval shall not unreasonably be withheld. In this regard, the Authority specifically approves Licensee's use of the business name "Falmouth-Edgartown Ferry Service."

21. Governing Law and Interpretation.

A. This Agreement shall be governed by and interpreted under the laws of The Commonwealth of Massachusetts.

B. In computing any period of time prescribed or allowed by this Agreement, the day of the act, event or default after which the designated period of time begins to run shall not be included. The last day of the period so computed shall be included, unless it is a Saturday, a Sunday or a legal holiday, in which event the period runs until the end of the next day which is not a Saturday, a Sunday or a legal holiday. As used in this Agreement, "legal holiday" includes those days specified in Mass. G.L. c. 4, § 7, and any other day appointed as a holiday by the President or the Congress of the United States or designated by the laws of the Commonwealth.

22. Agreement Reflects Entire Understanding of the Parties.

The making, execution and delivery of this Agreement by the parties have been induced by no statements, representations, warranties, understandings or agreements other than those herein expressed. This Agreement embodies the entire understanding of the parties and there are no further or other agreements or understandings, written or oral, in effect between the parties, relating to the subject matter hereof. This Agreement may be amended or modified only by an instrument of equal formality signed by the duly authorized officer of the respective parties.

IN WITNESS WHEREOF, the parties have executed this Agreement under seal as of the date hereinabove set forth.



Witness

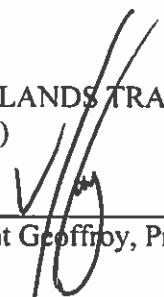
WOODS HOLE, MARTHA'S VINEYARD AND
NANTUCKET STEAMSHIP AUTHORITY
(the "Authority")

By: 

Robert B. Davis, General Manager


Witness

CAPE & ISLANDS TRANSPORT, INC.
("Licensee")

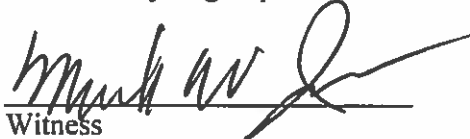
By: 
Vincent Geoffroy, President

CERTIFICATION BY LICENSEE

I, Vincent Geoffroy, President of Cape & Islands Transport, Inc., the Licensee named herein, hereby certify under the penalties of perjury, to the best of my knowledge, information and belief, that:

1. Licensee has not given, offered or agreed to give any person, corporation or other entity any gift, contribution or offer of employment as an inducement for, or in connection with, the award of this Agreement.
2. No person, corporation or other entity, other than a bona fide full time employee of the Licensee, has been retained or hired by Licensee to solicit for or in any way assist Licensee in obtaining this Agreement upon an agreement or understanding that such person, corporation or other entity be paid a fee or other consideration contingent upon the award of this Agreement to Licensee.
3. No Member, employee or agent of the Authority shall be in the employ of, or be in any way, directly or indirectly, financially interested in any partnership, corporation or association having any financial transactions connected with this Agreement.
4. Pursuant to Mass. G.L. c. 62C, sec. 49A, Licensee has complied with all laws of The Commonwealth of Massachusetts relating to taxes, the reporting of employees and contractors, and the withholding and remitting of child support.
5. Pursuant to St. 1990, c. 521, sec. 7, as amended by St. 1991, c. 329, Licensee does not have fifty or more employees or, if it does so employ fifty or more employees, it has established a dependent care assistance program or a cafeteria plan whose benefits include a dependent care assistance program or it offers child care tuition assistance or on-site or near-site subsidized child care placements.
6. Pursuant to Mass. G.L. c. 7, sec. 22C, Licensee does not employ ten or more employees in an office or other facility located in Northern Ireland or, if it does so employ ten or more employees there, (a) it does not discriminate in employment, compensation or the terms, conditions and privileges of employment on account of religious or political beliefs; and (b) it promotes religious tolerance within the work place and the eradication of any manifestations of religious and other illegal discrimination.

7. Pursuant to Mass. G.L. c. 23A, sec. 59, relative to any business interest in or involvement with or in the People's Republic of China, Licensee shall (a) seek to ensure employment policies that do not entail discrimination based on sex, religion, ethnic or national background, political belief, nonviolent political activity or political party membership; (b) ensure, through consultation with relevant governmental authorities where appropriate, that methods of production used do not pose an unnecessary physical danger to workers, to neighboring populations and property and to the surrounding environment; (c) ensure that no convict or forced labor under penal sanctions is knowingly used; (d) ensure that no goods that are mined, produced or manufactured, in whole or in part, by convict or forced labor under penal sanctions are knowingly used; (e) undertake to encourage freedom of assembly, association and expression, including, without limitations, prevention of the termination of individuals who express political opinions whether or not at the work place; (f) discourage compulsory political indoctrination on the premises of the work place; and (g) when the opportunity arises, attempt to raise with the relevant agencies of the Chinese government those individuals detained, arrested or convicted since June 1989 solely for nonviolent expression of their political views or for peaceful religious or labor activity.
8. This Agreement has been entered into in good faith and without collusion or fraud with any other person. As used in this certification, the word "person" shall mean any natural person, business, partnership, corporation, union, committee, club or other organization, entity or group of individuals.


Witness

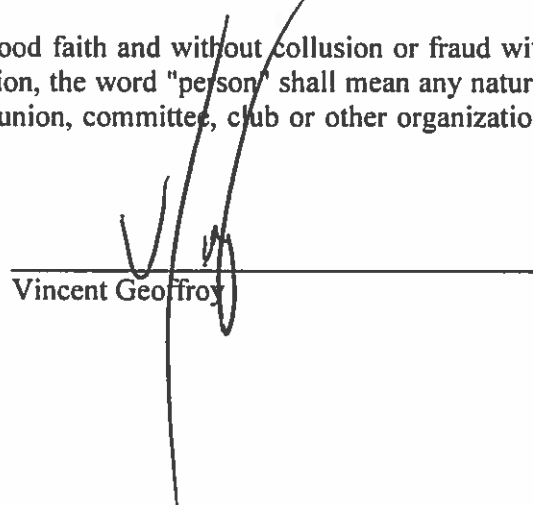

Vincent Geoffroy

EXHIBIT A

SCHEDULE OF LICENSED TRIPS

The Authority from time to time may require Licensee to change its licensed trips so that they neither conflict with those of the Authority nor cause undue congestion in Falmouth Inner Harbor, Edgartown Harbor, or any harbors, bays or waters traveled by the Authority's vessels. The Authority may also require Licensee to change its licensed trips so that the Vessel's sailings from Falmouth Inner Harbor follow, rather than precede or coincide with, the scheduled departures of the M/V ISLAND QUEEN.

Spring Weekends Schedule:

Commencing the Friday immediately preceding Memorial Day through the Thursday immediately preceding Independence Day:

On Fridays only:

<u>Leave Falmouth</u>	<u>Arrive Edgartown</u>	<u>Leave Edgartown</u>	<u>Arrive Falmouth</u>
11:30 am	12:30 pm	12:45 pm	1:45 pm
4:00 pm	5:00 pm	5:15 pm	6:15 pm
6:30 pm	7:30 pm	7:45 pm	8:45 pm

On Saturdays, Sundays and Memorial Day only:

<u>Leave Falmouth</u>	<u>Arrive Edgartown</u>	<u>Leave Edgartown</u>	<u>Arrive Falmouth</u>
9:00 am	10:00 am	10:15 am	11:15 am
11:30 am	12:30 pm	12:45 pm	1:45 pm
4:00 pm	5:00 pm	5:15 pm	6:15 pm

Summer Schedule:

Commencing on the Friday immediately preceding Independence Day through Labor Day:

On Mondays through Saturdays:

<u>Leave Falmouth</u>	<u>Arrive Edgartown</u>	<u>Leave Edgartown</u>	<u>Arrive Falmouth</u>
8:30 am	9:30 am	9:45 am	10:45 am
11:00 am	12:00 noon	12:15 pm	1:15 pm
1:30 pm	2:30 pm	2:45 pm	3:45 pm
4:00 pm	5:00 pm	5:15 pm	6:15 pm
7:00 pm ^{FO}	8:00 pm	8:15 pm ^{FO}	9:15 pm

^{FO} Operates Fridays only

On Sundays and Labor Day **only**:

<u>Leave Falmouth</u>	<u>Arrive Edgartown</u>	<u>Leave Edgartown</u>	<u>Arrive Falmouth</u>
10:00 am	11:00 am	11:15 am	12:15 pm
12:30 pm	1:30 pm	1:45 pm	2:45 pm
3:00 pm	4:00 pm	4:15 pm ^{SHO}	5:15 pm
6:00 pm	7:00 pm	7:15 pm ^{SHO}	8:15 pm

^{SHO} Licensee is allowed to carry up to 135 passengers on these two trips originating from Edgartown on Sundays and holidays **only**.

EXHIBIT B

LICENSE FEE FORMULA

For each calendar year during the term of this Agreement, Cape & Islands Transport, Inc. ("Licensee") shall be required to pay the following per-passenger license fees in connection with its Falmouth-Edgartown service:

- (1) 5% of the Authority's "average revenue per passenger for its Martha's Vineyard route the previous year" for each passenger carried by Licensee on a one-way basis between Falmouth and Edgartown up to 20,000 per year;
- (2) 30% of the Authority's "average revenue per passenger for its Martha's Vineyard route the previous year" for each passenger carried by Licensee on a one-way basis between Falmouth and Edgartown in excess of 20,000 but no more than 25,000 per year;
- (3) 40% of the Authority's "average revenue per passenger for its Martha's Vineyard route the previous year" for each passenger carried by Licensee on a one-way basis between Falmouth and Edgartown in excess of 25,000 but no more than 30,000 per year; and
- (4) 50% of the Authority's "average revenue per passenger for its Martha's Vineyard the previous year" for each passenger carried by Licensee on a one-way basis between Falmouth and Edgartown in excess of 30,000 per year.

The term "average revenue per passenger for its [the Authority's] Martha's Vineyard route the previous year" is equal to the sum of all of the Authority's passenger, concession and parking revenues derived from the Martha's Vineyard route during the previous calendar year, divided by the total number of passengers carried by the Authority on that route during that calendar year.