

TOWN OF EDGARTOWN
OFFICE OF THE SELECTMEN
CONDITIONS FOR EDGARTOWN FERRY, INC. LICENSE

I. TERM:

The term of this license shall be five (5) years, and shall be subject to automatic renewal for successive five year terms, except for just cause.

II. FEE:

The fee shall be Fifty (\$50.00) Dollars per year for the first five years.

III. TOWN VEHICLE PASSAGE:

All town vehicles that have attached to them so-called "State Plates" shall travel on the ferry free of charge.

IV. SCHEDULES AND RATES:

The Board of Selectmen (the "Board") shall approve all the schedules and maximum rates before any changes are made, after due public process, which includes a hearing on any such changes and a confidential review of Edgartown Ferry, Inc.'s ("EFI") financial records when a request for change is made.

V. TRANSFER OF LICENSE:

The license shall not be transferred, except by permission of the Board, which shall not be unreasonably withheld.

VI. TAKEOVER OF OPERATIONS AND USE OF FERRIES:

A. Emergency.

In the event that the Board determines that public safety and convenience requires the immediate takeover of the operation of the ferries, the Board may vote to do so for up to ten (10) days simply by providing written notice of said vote to EFI in hand or by registered mail to the address appearing on the license (hereinafter "notice to EFI"), or by posting a notice in a conspicuous public place at the end of the ferry run.

B. Town Takeover of Ferries and Option to Purchase.

In the event the Board desires to suspend, or revoke the license, or not to renew the same, for good cause shown, the Board will schedule a public hearing and will provide notice, as specified in Paragraph VI(A) above, at least ten (10) days before said hearing. If, after said hearing, the Board votes to suspend, revoke, or not renew said license, the Board may also vote to operate the ferries for up to ninety (90) days (the "Takeover"). Following any vote to takeover the ferries (either for ten days (as per Section VI(A)), or for ninety days (as per Section VI(B)), the Town shall have the immediate right to operate the ferries for either ten (10) or ninety (90) days, depending on the Board's vote, under the conditions set forth below:

a. All revenues received during the Takeover will be placed in a separate fund and strictly accounted for.

b. The Town may expend monies from said fund for the normal costs of ferry operations, including the salary/wages of

the then-current employees (or any substitute employees necessary to maintain the current number of employees prior to the Takeover), the purchase of fuel, normal repairs, insurance and mortgage payments (which should be kept current if revenues are sufficient to do so). No increase in expenditures, and no payment to the Town for any services or employees' time, will be allowed to be paid from said escrow account.

c. In or within ten (10) days of being notified of the Board vote to suspend, revoke or not renew the license, EFI shall deliver to the Board in writing its opinion of the then current fair market value of its business, including the ferries, together with the name of its appraiser.

d. The Board shall have ten (10) days from receipt of such submission to notify EFI of its intention either to accept said determination of fair market value (in which event the closing shall proceed in accordance with subsections (g)-(k) below), or to submit in writing to EFI its opinion of the then current fair market value of EFI's business, including its ferries, and the name of its appraiser.

e. EFI shall have five (5) days from receipt of the Board's action to either agree to the Town's price (in which event the closing shall proceed in accordance with subsections (g)-(k) below) or reject the same. In the event EFI rejects the Town's price, the arbitrators selected by the Board and EFI shall in or within five (5) days designate a third appraiser who shall, in or within ten (10) days of selection, determine the then current fair market value of EFI's business, including its

ferries, and shall submit the same in writing to both parties.

f. The Board shall then have five (5) days from receipt to either reject or accept said price.

g. In the event of acceptance of or agreement with EFI on the purchase price, the Board shall schedule a town meeting in or within thirty (30) days to raise and appropriate the funds necessary to effectuate said purchase. In the event the Town meeting votes approval, the closing shall take place in or within twenty (20) days from the date of said vote.

h. Any delay on the part of EFI in complying with the timetables herein, shall extend by an equal number of days the closing and the Town's ability to operate the ferries.

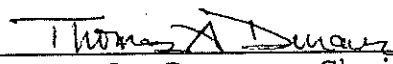
i. EFI warrants that it shall have good and clear marketable title to the ferries and its business assets and shall upon demand provide to the Town certification of the same or an assignment of rights from any party who may hold title such that the Town's option to purchase, as contained herein, may be effectuated. EFI further warrants that, upon request, it shall promptly advise the Board of any terms of financing or encumbrances upon the ferries and its business assets.

j. At the end of either the ten (10) day or ninety (90) day period set forth above, EFI shall be entitled to all of the monies remaining in escrow (except such monies as may be withheld to meet enumerated expenses).

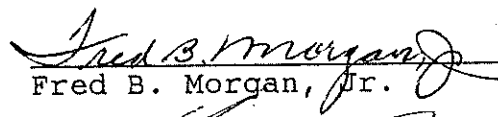
k. At the closing, EFI shall convey to the Town all of its right, title and interest in and to the ferries and its business assets free and clear of any and all claims or

encumbrances, under the terms of good and sufficient documents of transfer, satisfactory to the Town and counsel for the Town, containing EFI's warranty of title, and shall further assign to the Town all of EFI's right, title and interest in and to the ferries and its business assets free and clear from any and all claims and encumbrances. EFI shall be entitled to use the proceeds of sale to clear title at the time of closing. Such documents of transfer shall be acknowledged and delivered by EFI to the Town at the closing in exchange for a certified check from the Town made payable to EFI, or its assigns, in the amount of the purchase price as of the date of exercise.

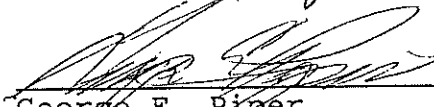
EDGARTOWN BOARD OF SELECTMEN



Thomas A. Durawa, Chairman



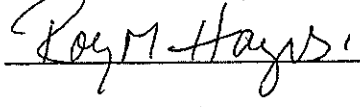
Fred B. Morgan, Jr.



George E. Piper

Accepted and agreed to:

EDGARTOWN FERRY, INC.

By: 

Dated: August 17, 1993