

HARBOR SHORES LEASE AGREEMENT

This Harbor Shores Lease Agreement (this "**Lease**") is entered into by and between the City of Benton Harbor, a Michigan municipal corporation, whose principal business address is 200 East Wall Street, Post Office Box 648, Benton Harbor, Michigan 49023-0648, and Harbor Shores Community Redevelopment Inc. ("**Harbor Shores**"), a Michigan non-profit corporation, whose principal business address is 400 Riverview Drive, Suite 420, Benton Harbor, Michigan 49022. The Parties (as hereinafter defined) hereby amend and restate the terms and conditions on which the City of Benton Harbor will lease to Harbor Shores portions of Jean Klock Park (as defined below) and portions of property contiguous to Jean Klock Park commonly known as Parcel 8A (as defined below) for development of three (3) golf holes that will be included in a public golf course that is part of the Harbor Shores Project (as defined in Section 1.01(k) below). The City of Benton Harbor and Harbor Shores shall be collectively referred to in this Lease as the "**Parties**."

Recitals

On May 4, 1917, J.N. Klock and Carrie E. Klock (collectively, the "**Klocks**") executed a deed ("**Deed**") conveying certain property to the City of Benton Harbor "and to its assigns." Also, on June 18, 1947, Judge Edward Westin of the Berrien County Circuit Court entered a decree ("**Decree**") reforming the Deed by eliminating that portion of the property that the Klocks granted to the City of Benton Harbor without warranty. As a result, the City of Benton Harbor owns in fee simple the remaining property commonly known as "Jean Klock Park."

On November 3, 2005, the City of Benton Harbor and Harbor Shores entered into a Development Cooperation Agreement ("**Act 425 Agreement**") by and among the City of Benton Harbor, St. Joseph, and Harbor Shores. The subject of the Act 425 Agreement is an economic development Project (as defined in Section 1.01(k) below) to be located in the City of Benton Harbor, Benton Township, and St. Joseph, Michigan. Also, on April 13, 2006, the City of Benton Harbor and Harbor Shores entered into a Memorandum of Understanding, as amended, regarding the Project ("**Memorandum of Understanding**"). The Memorandum of Understanding provides for sale of certain City of Benton Harbor-owned land (not including any portion of Jean Klock Park) for the Project and sets forth additional terms regarding community benefits, parks and recreation, and zoning. Additionally, Harbor Shores and the City of Benton Harbor entered into a Rezoning Agreement relating to the Project ("**Rezoning Agreement**").

Pursuant to the foregoing agreements, the City of Benton Harbor and Harbor Shores entered into the Harbor Shores Golf Course Agreement, dated effective January 22, 2007 ("**Prior Agreement**") to expand and improve Jean Klock Park as part of the Project, to provide for the maintenance and operation of Jean Klock Park, Parcel 8A and the Park Expansion Property (as defined in the Prior Agreement) and to lease certain interior portions of Jean Klock Park and portions of Parcel 8A to Harbor Shores for construction and operation of three (3) holes of a public golf course, contingent upon approval by the Michigan Department of Natural Resources ("**MDNR**"), Michigan Natural Resources Trust Fund ("**MNRTF**") Board, and National Park Service ("**NPS**"), and based on the terms and conditions set forth in the Prior Agreement.