

EXHIBIT 7

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March 19, 2014

VIA FEDERAL EXPRESS

Arnold Transit Company
220 Huron St.
Mackinac Island, MI 49757

Haldimand Bay Company, LLC
Attention: James F. Wynn
320 Howard Street
Post Office Box 702
Second Floor
Chase Bank Building
Petoskey, Michigan 49770

Re: Notice of Event of Default, Acceleration and Demand

Ladies and Gentlemen:

Reference is made to the (i) Limited Recourse Guaranty (“**Guaranty**”) dated June 18, 2010 granted by and between Arnold Transit Company, a Michigan corporation (“**Guarantor**”), on the one hand, and Marsha Rudolph Adams, as Trustee, The Marsha Rudolph Adams Revocable Trust dated 3/20/2001, Dorothy M. Brown, Jim & Sis, LLC, Pajalco Incorporated, Prentiss M. Brown, James J. Brown, Robert B. Brown, Patricia Jane Perry, Ruth M. Visnaw, Susan L. Pierson, Barbara J. Brown, Sally Ann Herbon, Paul H. Brown, Caroline Cheeseman, Andrew C. Brown, Prentiss M. Brown, Jr., as Trustee, Prentiss Brown, Jr. Trust dated 10/3/2003, Margaret D. Brown, as Trustee, Margaret D. Brown Trust dated 10/3/2003, Paul W. Brown, as Trustee, Paul W. Brown Trust dated 12/4/2000, Linda M. Brown, as Trustee, Linda M. Brown Trust dated 12/4/2000 and Laing Family, L.L.C. (each a “**Seller**” and collectively, the “**Sellers**”), on the other hand, (ii) First Preferred Ship’s Mortgage regarding that certain vessel known as the Mackinac Express (as subsequently amended, the “**Mackinac Mortgage**”) dated June 18, 2010, granted by Guarantor in favor of Sellers (iii) First Preferred Ship’s Mortgage regarding that certain vessel known as the Island Express (as subsequently amended, the “**Island Mortgage**” collectively with the Mackinac Mortgage, the “**Mortgages**”) dated June 18, 2010, granted by Guarantor in favor of Sellers and (iv) those certain Secured Promissory Notes (each a “**Note**” and collective, the “**Notes**”) dated June 18, 2010 granted by Haldimand Bay Company, LLC (“**Borrower**”) in favor of Sellers, as all of the same have been amended prior to the date hereof (as so amended, collectively the “**Loan Documents**”). All initially-capitalized terms used in this letter without definition have the meanings given those terms in the Mortgages and Notes, except as otherwise noted in this letter.

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We represent the Sellers. Notice is hereby given to Borrower and Guarantor of the occurrence and continuation of various Events of Default under the Mortgages, Notes and Guaranty, including, without limitation, the following:

- Guarantor's failure to maintain insurance on the Boats under Section 15 of the Mortgages, resulting in an event of default under Section 24(A) of the Mortgages;
- Guarantor's allowance of a third party to place a lien on the Boats, resulting in an event of default under Section 24(A) of the Mortgages;
- Guarantor's actions regarding the same that have caused Sellers in good faith and with reasonable cause to believe that Guarantor's ability to pay and provide security through the Mortgages has been endangered, which is an event of default under Section 24(A) of the Mortgages; and
- Borrower's failure to provide Sellers with all required financial statements as required by the Notes, resulting in an event of default under the Notes (collectively, the "**Specified Events of Default**").

Sellers are therefore immediately entitled to take all steps necessary to protect their interests and enforce their rights under the Loan Documents at law and in equity in the Event of Default. As a result of the occurrence of the Specified Events of Default, Sellers hereby accelerate and demand the immediate payment of all payment obligations under the Notes – including all outstanding principal, interest, default interest, and other indebtedness under the Notes (the "**Loan Obligations**"). Please contact the undersigned for a calculation of Borrower's current outstanding Loan Obligations.

Furthermore, as a result of the Specified Events of Default, Sellers hereby give notice that it is charging the default rate of interest (11.0%) from March 19, 2014, and thereafter.

The occurrence of the Specified Events of Default under the Notes and Mortgages also constitutes an event of default under the Guaranty. Sellers hereby demands that Guarantor immediately satisfy Borrower's outstanding obligations under the Notes as well as Guarantor's outstanding obligations under the Mortgages and Guaranty.

Any partial payment may, at each Seller's option, be accepted and applied on account of any due and unpaid balance. If so accepted however, such partial payment shall be without waiver of or prejudice to any of each Seller's rights or remedies.

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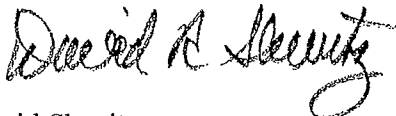
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As a result of the Specified Events of Default, as well as any other defaults or events of default that may exist, Sellers are entitled to, and may, at any time and in their sole and absolute discretion, without notice, presentment or protest, exercise any and all defaulted-related rights and remedies under the Loan Documents and applicable law, including, but not limited to, their right under the Loan Documents to, without limitation, at any time (i) repossess the Boats, (ii) foreclose or otherwise realize on the Boats, (iii) seek reimbursement for all collection costs and expenses, including attorney's fees and (iv) take any other enforcement action or otherwise exercise any or all rights and remedies provided for by any or all of the Loan Documents or applicable law.

Sellers may exercise their rights, powers, privileges and remedies, including those set forth in (i) through (iv) above at any time in their sole and absolute discretion without further notice. No oral representations or course of dealing on the part of Sellers or any of their officers or agents, and no failure or delay by Sellers with respect to the exercise of any right, power, privilege or remedy under any of the Loan Documents or applicable law shall operate as a waiver thereof, and the single or partial exercise of any such right, power, privilege or remedy shall not preclude any later exercise of any other right, power, privilege or remedy.

Nothing contained herein shall be deemed to constitute or shall be construed as (i) a waiver or release of any of Sellers' rights or remedies against Borrower, Guarantor or any other party to the Loan Documents or pursuant to applicable law, (ii) a course of dealing obligating Sellers to provide any accommodations, financial or otherwise, to Borrower, Guarantor or any other party to the Loan Documents at any time, or (iii) a commitment or an agreement to make a commitment with respect to any possible restructure of any of the Loan Documents. Nothing contained in this Notice shall confer on Borrower, Guarantor, any other party to the Loan Documents or any other person or entity any right to other or further notice or cure periods with respect to any and all obligations under the Loan Documents or other events of default. Seller has made no promise or commitment, express or implied, and has no obligation, to extend, renew, or otherwise modify the Loan Documents. Seller expressly reserves and preserves all of its rights and remedies under the Loan Documents and applicable law. Sellers' failure to exercise immediately any such rights and remedies under the Loan Documents shall not be construed as a waiver or modification of those rights or an offer of forbearance. Nothing herein shall constitute a waiver of any defaults.

Sincerely,



David Shevitz

Cc: Erik J. Stone, PC

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