

AMENDMENT NO. 1 TO LEASE RENEWAL AGREEMENT NO. 1

WHEREAS, the City of Ann Arbor (hereinafter "CITY") and the Downtown Development Authority of the City of Ann Arbor (hereinafter "DDA") entered into a Lease Agreement on April 9, 1992 relative to the operation and maintenance of the City parking system by the DDA, which Lease Agreement was renewed and superseded by Renewal Agreement No. 1, a copy of which is attached hereto as Exhibit A, on May 2, 2002, and

WHEREAS, the parties desire to extend and modify Renewal Agreement No. 1 in certain respects,

NOW, THEREFORE, in consideration of the mutual promises contained herein, the parties agree on _____, 2005 that Renewal Agreement No. 1 be and hereby is amended ("Amendment No. 1") as follows, with the remaining terms of Renewal Agreement No. 1 to continue in full force and effect except as modified hereinafter:

A. Section 2 is amended to read:

2. Term

This Agreement, which had provided for a termination date of May 2, 2012, shall terminate June 30, 2015, unless terminated or extended as hereinafter provided.

In the event either party desires to terminate this Agreement prior to June 30, 2015, said termination may occur only as a result of a violation of the Agreement by the other party. The party alleged to be in violation shall be provided with written notice of the violation and shall be provided a 60-day period from the date of said notice to cure said violation. Upon said termination, all debt payments, rent, and operation and maintenance obligations of the DDA under this Agreement shall cease.

The DDA shall have the option to extend this Agreement after June 30, 2015, through June 30, 2033, provided that written notice of extension is provided to the CITY no less than 90 days prior to June

6 of 7

30, 2015. If the DDA exercises its option to extend this Agreement beyond June 30, 2015, the CITY or DDA shall have the option, every third year beginning June 30, 2018, to terminate this Agreement without cause upon the affirmative vote of 8 or more members of the City Council or DDA, provided that written notice of termination is provided to the other no less than 365 days in advance of said termination. Upon such termination, all debt payments, rent, and operation and maintenance obligations of the DDA under this Agreement shall cease.

B. Section 6 (d) is amended to read:

(d) DDA Agrees to pay to the CITY annual rent of \$1,000,000.00, paid on July 1 of every year. During the period July 1, 2005 through June 30, 2015, the DDA shall, upon written request of the CITY on or before December 1 prior to the year in which a particular payment is due, pay in addition to the annual rent an advance on future rent not to exceed one full year's future rent, provided that the total rent payments during the period July 1, 2005 through June 30, 2015 shall not exceed \$10,000,000.00.

Approved as to Substance:

By: 

Roger Fraser, City Administrator

CITY OF ANN ARBOR

By: 

John Hieftje, Mayor

By: 

Jacqueline Beaudry, City Clerk

Approved as to Form:

By: 

Stephen K. Postema,
City Attorney

DOWNTOWN DEVELOPMENT OF THE CITY
OF ANN ARBOR

By: 

By: 

DDA Chair

The Ann Arbor Building Authority consents to this Amendment.

ANN ARBOR BUILDING AUTHORITY

By: 

Anthony Ramirez, Chairperson

By: 

Brenda L. Smith, Secretary

7 of 7