

June 10, 2014

Michael G. Ford
Chief Executive Officer
Ann Arbor Area Transportation Authority

**Re: CEO Employment Agreement, Article VI - Salary and Compensation
for Fiscal Year 2013 and Fiscal Year 2014**

Dear Mr. Ford:

This letter will set forth your salary and compensation as the Chief Executive Officer ("CEO") of the Ann Arbor Area Transportation Authority ("AAATA") for the fiscal year beginning October 1, 2012, and the fiscal year beginning October 1, 2013 in accordance with the provisions of Article VI, Paragraph 6.1 of the Agreement between you and the AAATA Board of Directors ("Board") dated **June 10, 2014**:

- (a) The Board will pay you retroactively the equivalent of an annual salary of \$169,744 for the fiscal year beginning October 1, 2012 and \$174,836 for the fiscal year beginning October 1, 2013 through **June 10, 2014**. This retroactive adjustment will be paid in full on **June 10, 2014**, and you will have the options for pay out to be 1) cash; 2) deferred into your pension; 3) health care savings account or 4) into your 457 plan account (subject to any legal maximum amount on 457 payments).
- (b) Effective **June 10, 2014** you will be paid a salary at the annual rate of \$174,836 for your service, payable in bi-weekly installments at the same time as other AAATA employees are paid, and subject to customary and mandatory withholdings.
- (c) You will be paid retroactive pension adjustment of 12% on the amount of the retroactively adjusted base salary. This calculation will be compounded as if paid from beginning dates of each pay adjustment as stated above.
- (d) Upon the execution of this letter, and your written agreement to the terms set forth herein, the Board will make a one-time lump sum payment in the amount of \$20,000.00 into your §457 deferred compensation plan account, representing payments of \$10,000 cash for the fiscal year 2013 and 2014. In the event the lump sum payment exceeds the maximum amount allowed, the excess over the limit will be deferred to your pension account. This lump sum payment will be made by end of business the day following execution of the document.

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As stated in Article VI, Paragraph 6.1 of the above-referenced Agreement, the terms of this letter relating to salary and compensation, shall remain in effect until such time as the letter is modified or replaced by the Board, in which case a new letter meeting the requirements set forth in said Paragraph 6.1 shall be substituted in its stead.

The parties further agree that in the event you are terminated by the Board under the provisions of Article V, Paragraph 5.1 of the above-referenced Agreement, for any reason other than those specified in Paragraph 5.2 of the Agreement, the Board will make a cash payment to you equal to nine (9) months aggregate salary as severance, and in addition the Board will pay the premiums to continue your health and dental insurance under COBRA for a period of up to nine (9) months, unless you have access to health and dental insurance coverage from another employer.

Respectfully submitted,

Charles Griffith, AAATA Board Chair

Eli Cooper, AAATA Board Treasurer

Agreed to:

Michael G. Ford, CEO

Dated: _____