

**LEASE OF PARKING LOT AT 412 AND 416 LONGSHORE DRIVE BETWEEN  
HURON RIVER HOLDINGS LLC AND THE CITY OF ANN ARBOR**

This land lease made and entered into this \_\_\_ day of\_\_\_\_\_, 2019, by and between the City of Ann Arbor, a Michigan municipal corporation with its offices at 301 E. Huron, P.O. Box 8647, Ann Arbor, MI 48107 (“City”) and Huron River Holdings LLC, a Michigan limited liability company with its offices located at 416 Longshore Drive, Ann Arbor, MI 48105 (HRH)

**Recital**

The City proposes to use a portion of the existing parking lots (west and east parking lots respectively) owned by HRH shown in Exhibit A, attached hereto and made a part hereof by reference, commonly known as 412 and 416 Long Shore Drive (“Property”) seven days per week, 9 a.m. to sunset each day (with exception for weekend and holiday only access for marked spaces in the west parking lot and all spaces in the east parking lot) for overflow parking for Argo Park during the Argo Livery season period, April 18, 2019 through October 25, 2019.

The parties have negotiated in good faith the use of the Property for the stated purpose and it is acknowledged that HRH’s retains all property rights for use and enjoyment of the Property subject only to the terms of this lease.

**Terms**

In consideration of the lease payments and mutual promises contained herein, the City and HRH agree to the terms and conditions upon which the City will use and occupy the Property as follows:

1. Duration/Purpose: The term of this lease shall be from April 18, 2019 (“Commencement Date”) through October 25, 2019 (“Termination Date”) and shall automatically renew for 3 successive terms of April 18 through October 25 of each of the following 3 years unless sooner terminated or extended as provided in this lease. The City shall use the Property only for the operation of a parking lot for additional overflow parking for park use. The approximately 40 spaces in the west parking lot will be for park use only and used seven days per week, 9 a.m. to sunset. The additional 6 spaces in the west parking lot that are marked reserved and the approximately 12 spaces in the east parking lot will be available for park use on weekends and holidays only.

City has inspected the Property and is satisfied with its condition. The City acknowledges that no representations about the condition of the Property or promises to alter or to improve the Property before or during the term of the Lease have been made. The City accepts the Property in “as-is” condition as of the Commencement Date. Further, it is understood between the parties that park patrons using the lot do so

at their own risk. HRH shall conduct ordinary commercially reasonable maintenance of the parking lots to maintain them in safe condition. If any portion of a parking lot on the Property becomes unsafe for public use, the parties shall work together to make that portion safe in a reasonable timeframe. The City may take emergency measures, at the City's expense, to make the parking lots safe for the public, including temporary barriers, signage, or surface patching.

2. Rent: On or before April 18 of each year, unless this lease is terminated prior to that date, the City shall make a single lump sum lease payment to HRH for that year in the following amounts:
  - a. 2019: Eleven Thousand Seven Hundred Fifty no/100 dollars (\$11,750);
  - b. 2020: Twelve Thousand and no/100 dollars (\$12,000);
  - c. 2021: Twelve Thousand Two Hundred Fifty no/100 dollars (\$12,250); and
  - d. 2022: Twelve Thousand Five Hundred no/100 dollars (\$12,500).
  
3. Signage; City's Right to Alter/Enforcement: The City shall have the right to, at its sole cost, supply temporary mobile signs for identification and regulation of the parking lot for park use. HRH agrees that the City may enforce its ordinance(s) that provide for towing of vehicles on the Property in the same manner as if the City owned the Property on those days of use by the City stated above. HRH has installed signs in the west parking lot that reserve 6 spaces, Monday through Friday, for other HRH tenants, the location of these reserved spaces illustrated on Exhibit A. These reserved spaces, along with all spaces in the east parking lot are limited to park use only on weekends and holidays.
  
4. Insurance: The City shall maintain in effect during the term of this lease commercial general liability insurance coverage, including liability against claims for, or arising out of, bodily injury, death or property damage occurring on the Property. It is acknowledged that the City self-insures its general liability exposure through a permanently funded non-cancelable program. The City agrees to name HRH as an "additional insured" on the policy described above and furnish HRH with a certificate of self-insurance/insurance evidencing such coverage on or before the Commencement Date.
  
5. Termination:
  - a. City's Right to Terminate:
    - i. The City may opt to terminate renewal of this lease without cause by providing written notice to HRH at least 90 days prior to commencement of that year's term (April 18 of each year). Upon such termination the City shall not be obligated to pay the lease payment for that year and all subsequent years; or
    - ii. If HRH breaches any of its obligations under this lease, the City may terminate the lease by providing written notice to HRH at least 30 days prior to termination. Said notice shall state the nature of the breach. At the

expiration of the applicable period, the lease will terminate, and City will have no further obligation to HRH

b. HRH's Right to Terminate:

- i. HRH may opt to terminate renewal of this lease without cause by providing written notice to the City at least 90 days prior to commencement of that year's term (April 18 of each year). Upon such termination HRH shall not be entitled to the lease payment for that year and all subsequent years.
- ii. HRH may terminate this lease if the City breaches any of its obligations under this lease by providing written notice to the City at least 30 days prior to termination. Said notice shall state the nature of the breach. At the expiration of the applicable notice period, the lease will terminate, and HRH will be entitled to possession of the Property.

6. Hold-Over: It is understood that, except for automatic renewal as provided in this lease, no right to hold-over beyond the Termination Date is authorized by this lease.
7. Assignment: Neither party shall assign its interest in this lease without prior written approval of the other party that shall not be unreasonably withheld.
8. Notice: A notice given under this lease shall be in writing and served personally or sent by certified or registered mail. Such notice shall be deemed effective upon receipt by the other party. Notices to the City shall be sent to the address listed above to the attention of the Parks and Recreation Services Manager. Notices to HRH shall be sent to the address listed above to the attention of Jim Frey.
9. Governing Law; Severability: This lease shall be construed and interpreted in accordance with the laws of the State of Michigan. If a clause of this lease is found by a court to be invalid, that finding will not invalidate any other clause or provision of this lease.
10. Authority to Execute: Both parties by executing this lease represent that they have the authority and permission to bind the party they are signing this lease on behalf of to the terms and conditions set forth in this lease.
11. Entire Agreement: This lease constitutes the entire agreement between the parties, is binding when signed by all parties and replaces all prior oral and written representations. This lease or any of its terms or conditions cannot be amended, altered, waived, or otherwise modified unless in writing and executed by HRH and the City.

HURON RIVER HOLDINGS, LLC

CITY OF ANN ARBOR

By: \_\_\_\_\_  
Jim Frey, Member

By: \_\_\_\_\_  
Christopher Taylor, Mayor

By: \_\_\_\_\_  
Jacqueline Beaudry, City Clerk

APPROVED AS TO SUBSTANCE:

By: \_\_\_\_\_  
Howard S. Lazarus,  
City Administrator

By: \_\_\_\_\_  
Derek Delacourt,  
Service Area Administrator

APPROVED AS TO FORM

By: \_\_\_\_\_  
Stephen K. Postema, City Attorney