

LEASE

THIS LEASE made this _____ day of _____, 1987, by and between the CITY OF PONTIAC, a Michigan municipal corporation, the Lessor, hereinafter designated as the "City", and PONTIAC OSTEOPATHIC HOSPITAL, a Michigan non-profit corporation, the Lessee, hereinafter designated as the "Hospital".

WHEREAS, the City is the owner of premises situated in the City of Pontiac, State of Michigan, known as Lot One AP, located at East Wide Track Drive and Pike Street, hereinafter described on Exhibit "A", a copy of which is attached hereto and made a part hereof, and is hereinafter referred to as "Premises".

WHEREAS, the Hospital is desirous of leasing the Premises from the City to provide automobile parking space for its employees; and

WHEREAS, the City deems it to be in the best interest of the redevelopment of the City of Pontiac that it enter into this Lease for the consideration on the terms set forth herein;

NOW, THEREFORE, the City and Hospital agree as follows:

1. DESCRIPTION OF PREMISES: The City, in consideration of the rents to be paid and the covenants and agreements to be performed by the Hospital, does hereby lease to the Hospital the Premises known as Lot One AP, located at East Wide Track Drive and Pike Street, Pontiac, Michigan, described on Exhibit "A" located in the City of Pontiac, State of Michigan.

2. TERM: For the term of five (5) years from and after the 1st day of August, 1987, the City will lease the Premises to the Hospital.

3. OBLIGATIONS OF THE CITY: The City shall reconstruct the Premises by paving, and striping, landscaping. Reconstruction of the Premises shall result in no less than 240 parking spaces. The Hospital may review the reconstruction plans prepared by the City prior to the City's solicitation of bids.

The City shall be solely responsible for all maintenance of the Premises, including snow removal, repairs and utility costs.

4. OBLIGATIONS OF HOSPITAL: The Hospital shall make advance payment to the City of the rent required in Section 5 hereof in the amount of one-half of the City's reconstruction costs, not to exceed One Hundred Thousand (\$100,000) Dollars within ten (10) business days of receipt of written request for the advance rent from the City..

The Hospital agrees to repair and paint the exterior of its blue power plant within One Hundred Eighty (180) days of the commencement of the reconstruction of the Premises by the City.

The Hospital agrees that security for the Premises and its users shall be its sole responsibility during the Lease term. The Hospital shall return the Premises to the City in good repair as when taken, reasonable use and wear thereof and damage by the elements excepted. All obligations of Hospital are at its sole cost and expense.

5. RENT: In lieu of money rental, the City agrees to credit the total cost the Hospital pays as advance rent against the monthly rental rate of Fifteen (\$15.00) Dollars per parking space until the total amount of the advance rent payment has been reached based upon 240 parking spaces.

Thereafter, the Hospital shall pay the City for 240 parking spaces at the going public rate for monthly surface parking in effect the month amortization is completed and such rate shall be paid by the Hospital until

the City notifies the Hospital of a rate adjustment. All rent payments are due in advance on the first of each month. For all rent payments not received by the fifth (5th) of each month, a penalty of one percent (1%) of the rent due shall be due and payable. All rate adjustments shall be at the going public rate for monthly surface parking in effect at the time of the rate adjustment. The City shall provide thirty (30) days prior, written notice to the Hospital of all rate adjustments. The Hospital may elect to terminate this Lease after receipt of notice of a rate adjustment from the City by giving the City sixty (60) days prior, written notice of its election to terminate the Lease.

6. OPTION TO RENEW: Upon the expiration of this Lease, Hospital shall have an option to renew the Lease under the same terms and conditions for a term of two (2) years. The Hospital shall give the City written notice of its intent to renew this Lease at least sixty (60) days prior to the expiration of the initial Lease term.

7. RIGHT OF FIRST REFUSAL: If City receives a bona fide offer for development of the Premises prior to the expiration of the Lease or any extension of the Lease, the City shall give Hospital the right of first refusal to purchase the Premises under the following conditions:

- A. City will give Hospital the right to review the bona fide offer in its entirety.
- B. Hospital must submit to City an offer for development equal or greater than the bona fide offer.
- C. The Hospital has ninety (90) days to exercise its right of first refusal from the date of receipt of the bona fide offer given it pursuant to subsection 7(A) hereof.
- D. If Hospital does not exercise its right of first refusal, Hospital will have ninety (90) days in which to vacate

the Premises which time shall begin to run from the date by which Hospital should have exercised its right of first refusal.

- E. The City will make the same terms of the bona fide offer available to the Hospital's for profit entity. The Hospital's for profit entity will be entitled to any additional benefits the City has offered to the developer making the bona fide offer.

8. REIMBURSEMENT: If City receives an offer for development of the Premises before the expiration of this Lease, and Hospital does not exercise its right of first refusal, City shall reimburse Hospital for the remaining amount of the advance rent payment made by Hospital which has not been credited previously as rent, provided the City accepts the offer for development by resolution of the City Council. Reimbursement to Hospital shall be in equal installments over a period of twelve (12) months.

9. MILL STREET PARKING STRUCTURE: If a bona fide offer for development is made for the Premises and accepted by the City pursuant to Section 8 hereof, and Hospital does not exercise its right of first refusal, City shall lease or sell the entire Mill Street Parking Structure to Hospital. If, at any time during the term of this Lease the City receives an offer for lease or sale of the Mill Street Parking Structure, Hospital shall have the right of first refusal to match the terms of any bona fide offer for lease or sale. As used in this Section 9, Hospital shall be deemed to mean the Hospital's for profit entity.

10. PAYMENTS: All payments of rent or other sums to be made to the City shall be made at such place as the City shall designate in writing from time to time.

11. BANKRUPTCY AND INSOLVENCY: The Hospital agrees that if the estate created hereby shall be taken in execution, or by other process of law, or if the Hospital shall be declared bankrupt or insolvent, according to law, or any receiver be appointed for the business and property of the Hospital, or any assignment shall be made of the Hospital's property for the benefit of creditors, then and in such event this Lease may be cancelled at the option of the City.

12. USE: It is understood and agreed between the parties that the Premises shall be used and occupied solely by employees of Hospital for parking lot purposes and for no other purpose or purposes during the Lease term without the prior, written consent of both City and Hospital. Provided, however, the City may lease parking spaces on the Premises, which are unused by the Hospital's employees, to members of the public. Such leasing by the City shall not affect the Hospital's obligation to pay the full rent on 240 parking spaces. The Hospital shall provide identification to its employees authorized to use the Premises to enable the City to ascertain all parking spaces not being used by Hospital employees. Neither City nor Hospital shall use the Premises for any purpose in violation of any law, ordinance, or regulation and that on any breach of this covenant the non-breaching party may, at its option, terminate this Lease forthwith.

13. PROHIBITIONS AGAINST ASSIGNMENT AND SUBLETTING: Hospital agrees and covenants that it will not assign this Lease, nor sublet the Premises or any part thereof, without the prior, written consent of the City.

14. TERMINATION: Either party may terminate this Lease upon a material breach of this Lease by the other party. If there is a material breach of this Lease, the non-breaching party shall notify the breaching party, in writing, of the matters in breach and give a thirty (30) day cure

period. If the breach is not cured within the thirty (30) days, the non-breaching party shall notify the breaching party, in writing, that this Lease is terminated.

If this Lease is terminated pursuant to a breach by the City, the City shall only be obligated to reimburse the Hospital for the amount of the advance rent payment which has not been credited previously as rent as of the date of termination. Reimbursement shall be in equal monthly installments over a period of twelve (12) months.

If this Lease is terminated pursuant to a breach by the Hospital, the Hospital shall forfeit all rights to the Premises and vacate the Premises within ninety (90) days of the date of termination of this Lease. The City shall be entitled to possession of the Premises and all due and payable rent as of the date the Premises are vacated as well as all other damages provided by law.

15. EMINENT DOMAIN: In the event the whole or any part of the Premises shall be taken by the County, State or public authority other than the City or any agency thereof for any public use, the parties agree this Lease shall determine the rights of the parties.

From the date when possession of the whole or any part of the Premises so taken shall be required for such public use rents, properly apportioned, shall be paid up to that date by the Hospital and the Hospital shall not claim or be entitled to any of the award to be made for damages or any compensation paid to the City and the City shall not be entitled to any portion of the award made to the Hospital for loss of business. The City shall reimburse the Hospital for any advance rent payment which has not been credited previously as rent for the portion of the Premises taken for public use. The Hospital may, at its option, terminate this Lease

if less than the whole of the Premises is so taken. If the Hospital elects to terminate this Lease, this Section 15 shall determine the rights of the parties.

A taking of a whole or any part of the Premises for public use as provided herein shall not be deemed a material breach of this Lease by the City.

16. CONDITION OF PREMISES: Both Hospital and City acknowledge they have examined the leased Premises prior to the making of this Lease and know the conditions thereof, and that no representations as to the condition or state of repairs or promises to repair have been made by either the City or the Hospital or their agents which are not contained herein, and both parties hereby accept the leased Premises in their present condition at the date of the execution of this Lease subject to the City's obligation to reconstruct the Premises.

17. TAXES AND ASSESSMENTS: In the event Hospital becomes a profit rather than a non-profit entity during the term or any extension of this Lease, Hospital covenants and agrees that it shall hold City harmless from any taxes, charges or assessments levied or assessed on the Premises or any improvements thereon.

18. HOLDING OVER: It is hereby agreed that in the event of the Hospital holding over after the termination of this Lease or any extensions thereof, the tenancy thereafter shall be from month to month in the absence of a written agreement to the contrary.

19. ACCESS TO PREMISES: Both parties shall have the right to enter upon the leased Premises at all reasonable hours for the purpose of inspecting the same.

20. RE-ENTRY: In case any rent shall be due and unpaid or if default is made by **Hospital** in any of the terms and conditions of this Lease, then it shall be lawful for the **City**, its agents, heirs, representatives and assigns to re-enter and repossess the Premises and dispossess the **Hospital** and each and every occupant of the Premises.

21. AMENDMENTS: No amendment to this Lease shall be effective and binding upon the parties unless it expressly makes reference to this Lease, is in writing, is signed and acknowledged by the Department Head, the Mayor and the City Clerk or their designees, is approved by the appropriate **City** departments, the City Council, and is signed and acknowledged by the duly authorized representative(s) of the **Hospital**.

22. INDEMNIFICATION OF CITY: The **Hospital** agrees to indemnify and hold the **City** harmless from any and all liabilities, obligations, damages, penalties, claims, costs, charges, fees and expenses for attorneys, expert witnesses and other consultants which may be imposed upon, incurred by or asserted against the **City** in regard to the Premises by reason of any negligent or tortious act, error or omission of the **Hospital** or any of its Associates for whose acts it may be liable.

The **Hospital** also agrees to indemnify and hold the **City** harmless from any and all damage to the property of an employee of the **City** which arises out of the **Hospital's** negligent or tortious act, error or omission with regard to the Premises or the **Hospital's** exercise of its rights and obligations under this Lease.

In the event any action or proceeding shall be brought against the **City** by reason of any matter covered herein, the **Hospital**, upon notice from the **City**, shall at its sole cost and expense, resist and defend the same with counsel of the **Hospital's** choice and which is acceptable to the **City**.

The indemnity and hold harmless obligation hereof shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable to or for the Hospital under Workers' Compensation Acts or other employee benefits acts or plans. The Hospital also agrees to indemnify and hold harmless the City from the payment of any deductible on any insurance policy required to be maintained by the Hospital pursuant to this Lease.

23. INDEMNIFICATION OF HOSPITAL: The City agrees to indemnify and hold the Hospital harmless from any and all liabilities, obligations, damages, penalties, claims, costs, charges, fees and expenses for attorneys, expert witnesses and other consultants which may be imposed upon, incurred by or asserted against the Hospital in regard to the Premises by reason of any negligent or tortious act, error or omission of the City or any of its Associates for whose acts it may be liable.

The City also agrees to indemnify and hold the Hospital harmless from any and all damage to the property of an employee of the Hospital which arises out of the City's negligent or tortious act, error or omission with regard to the Premises or the City's exercise of its rights and obligations under this Lease.

In the event any action or proceeding shall be brought against the Hospital by reason of any matter covered herein, the City, upon notice from the Hospital, shall at its sole cost and expense, resist and defend the same with counsel of the City's choice and which is acceptable to the Hospital.

The indemnity and hold harmless obligation hereof shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable to or for the City under the Workers'

Compensation Acts or other employee benefits acts or plans. The City also agrees to indemnify and hold harmless the Hospital from the payment of any deductible on any insurance policy required to be maintained by the City pursuant to this Lease.

24. INSURANCE: The Hospital shall procure and maintain, at its sole cost and expense, during the Lease term or any extension(s) thereof, insurance to protect against the following claims:

- a. Claims under Workers' Compensation, disability benefit, and other similar employee benefit acts;
- b. Claims for damages because of bodily injury, occupational sickness or disease, or death of its employees;
- c. Claims for damages because of bodily injury, sickness or disease, or death of any person other than its employees;
- d. Claims for damages insured by usual personal injury liability coverage which are sustained (1) by any person as a result of an offense directly or indirectly related to the employment of any such person by Hospital, or (2) by any other person;
- e. Claims for damages because of injury to, or destruction of, tangible property, including loss of use resulting therefrom;
- f. Premises-Operations;
- g. Independent Contractors Protective;
- h. Blanket Contractual;
- i. Owned, not owned and hired motor vehicles;
- j. Personal injury liability;
- k. Products and Completed Operations Coverage; and
- l. Broad Form Property Damage Coverage.

The Hospital shall require all subcontractors, if not protected under its insurance policies, to secure and maintain the stipulated types of insurance on their employees and operations with limits appropriate to each subcontractor. Liability insurance shall include all major divisions of coverage and shall be on a comprehensive basis, including Subparagraphs (f) through (j) above.

The insurance requirements hereunder shall be written for not less than the following limits:

- a. Workers' Compensation to comply with the statutes of the State of Michigan;
- b. Comprehensive General Liability providing \$1,000,000 Combined Single Limits per occurrence;
- c. Comprehensive Automobile Liability providing for a single limit of \$500,000 per occurrence and aggregate.

All liability policies shall name the City of Pontiac, its officers, agents, employees, elected officials, representatives and appointees as additional named insureds and shall state that the Hospital's insurance is primary with respect to the additional named insureds and not excess over any insurance carried by the additional named insureds.

If the Public Liability policy does not contain the standard ISO (Insurance Services Office) wording of "definition of insured" which reads essentially as follows: "The insurance afforded applies separately to each insured ... except with respect to limits ..." then in the alternative, the public liability insurance policy shall contain the following cross liability endorsement:

It is agreed that the inclusion of more than one (1) insured under this policy shall not affect the rights of any insured as respects any claim, suit or judgment made or brought

by or for any other insured or by or for any employee of any other insured. This policy shall protect each insured in the same manner as though a separate policy had been issued to each, except nothing herein shall operate to increase the insurer's liability beyond the amount or amounts for which the insurer would have been liable had only one (1) insured been named."

All insurance shall be issued by a company or companies acceptable to the City, licensed to do business in the State of Michigan and which are well rated by national rating organizations.

Certificates of insurance, along with copies of original policies, acceptable to the City, shall be filed with the City (Risk Management Division, City of Pontiac) ten (10) days prior to commencement of the Lease. Such certificates shall contain a provision that coverages afforded under the policies will not be cancelled or altered until at least thirty (30) days prior written notice has been given to the City. The City shall be furnished one (1) copy of the Certificate of Insurance herein required for each copy of the Agreement specifically setting forth evidence of all coverage required hereunder and the telephone number and address of the insurance agent.

The Hospital shall be responsible for payment of all deductibles contained in any insurance required hereunder. The provisions requiring the Hospital to carry the required insurance shall not be construed in any manner as waiving or restricting the liability of the Hospital under this Lease.

25. NOTICES: All notices, consents, approvals, requests and other communications (herein collectively called, "Notices") required or permitted under this Lease shall be given in writing, and mailed by first-class mail and addressed as follows:

If to the Department (on behalf of the City)

DEPARTMENT OF PUBLIC UTILITIES
522 S. Opdyke
Pontiac, MI 48057

Attention: _____

If to the Hospital:

PONTIAC OSTEOPATHIC HOSPITAL
50 N. Perry Street
Pontiac, MI 48058.

Attention: _____

All notices shall be deemed given on the day of mailing. Either party to this Lease may change its address for the receipt of Notices at any time by giving notice thereof to the other as herein provided. Any Notice given by a party hereunder must be signed by an authorized representative of each party.

Notwithstanding the requirement above as to the use of first-class mail, change of address notices, termination notices, or other notices of a legal nature, shall be sent by each party to this Lease by certified first-class mail, postage prepaid, return receipt requested.

26. TIME FOR RECONSTRUCTION: The City shall commence the reconstruction of the Premises no later than May 1, 1988, and shall complete them no later than July 1, 1988. Provided, however, the City shall make its best effort to accomplish the reconstruction by December 1, 1987. The City shall be deemed to have complied with this requirement if it awards a contract for the reconstruction by October 1, 1987. If the City fails to commence or complete the reconstruction by the specified dates or to award a contract for reconstruction of the Premises by October 1, 1987, the Hospital may declare this Lease null and void and of no further effect and the Hospital's sole remedy shall be reimbursement

of the advance rent payment made to the City. The City shall reimburse the Hospital in full, within ten (10) business days of receipt of the Hospital's written request for reimbursement.

27. TIME OF ESSENCE: Time is of the essence of this Lease.

28. WAIVERS: One or more waivers of any covenant or condition by the City shall not be construed as a waiver of a further breach of the same covenant or condition.

29. COVENANTS, CONDITIONS BINDING ON SUCCESSORS: The covenants, conditions and agreements made and entered into by the parties hereto are declared binding on their respective heirs, successors, representatives and assigns.

30. FORCE MAJEURE: Failure of the City to meet its covenants under Section 26 within the time periods specified therein shall be excused to the extent that such are caused by conditions beyond the City's control, such conditions to include, but not be limited to, acts of God, general strikes, general unavailability of materials, delay in completion of any utility relocation and/or for elimination of unusual soil conditions necessary to commence and/or complete reconstruction, and conditions imposed by city, county, federal or state agencies which cannot be satisfied on a timely basis and which have not heretofore been reasonably known to the City.

The City agrees to provide written notice to the Hospital of any conditions beyond the City's control which may result in the City's failure to meet the time limits of Section 25 and it shall be a condition for City reliance upon said condition that such notice shall have been provided within twenty (20) days of the onset of said condition. In the event multiple such conditions exist at any given time, the excusable delay attributable to such multiple conditions together shall be no greater than the elapsed

days between the onset of the first of said conditions and the resolution or waiver of the last of said conditions to be satisfied or waived.

31. AWARD OF LEASE: The award of this Lease to the Hospital will be authorized by resolution of the City Council. The award of this Lease will not become effective until this Lease has been approved by the required City departments, and signed by the Mayor, the Department Head and the City Clerk or their designees.

32. MISCELLANEOUS: A. If any provision of this Lease or the application to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Lease, or the application of such provision to persons or circumstances other than those as to which it is invalid or unenforceable shall not be affected thereby, and each provision of this Lease shall be valid and enforceable to the fullest extent permitted by law.

B. This instrument, including all Exhibits attached hereto, which are made a part of this Lease, contains the entire agreement between the parties and all prior negotiations and agreements are merged herein. Neither the City nor the City's agents have made any representations except those expressly set forth herein, and no rights or remedies are or shall be acquired by the Hospital by implication or otherwise unless expressly set forth herein. The Hospital hereby waives any defense it may have to the validity of the execution of this Lease.

C. Unless the context otherwise expressly requires, the words "herein", "hereof" and "hereunder" and other words of similar import refer to this Lease as a whole and not to any particular Section or other Subdivision.

D. The headings in this Lease are for convenience only and shall not be used to construe or interpret the scope or intent of this Lease or in any way affect the same.

E. The rights and remedies set forth herein are not exclusive and are in addition to any of the rights or remedies provided by law or equity. This Lease and all actions arising hereunder shall be governed by, subject to and construed according to the law of the State of Michigan. The parties agree, consent and submit to the personal jurisdiction of any competent court in Oakland County, Michigan, for any action arising out of this Lease. The parties agree that service of process at the address and in the manner specified in Section 25 will be sufficient to put the parties on notice and hereby waives any and all claims relative to such notice. The Hospital also agrees that it will not commence any action against the City because of any matter whatsoever arising out of or relating to the validity, construction, interpretation and enforcement of this Lease, in any courts other than those in the County of Oakland, State of Michigan unless original jurisdiction can be had in the United States District Court, Southern Division, the Michigan Court of Appeals or the Michigan Supreme Court.

F. If any Affiliate of the Hospital shall take any action which, if done by a party, would constitute a breach of this Lease, the same shall be deemed a breach by the Hospital with right legal effect.

G. For purpose of hold harmless and indemnity provisions contained in this Lease, the term "City" shall be deemed to include the City of Pontiac, its elected officials, officers, agents, representatives, employees and appointees, and all other associated, affiliated, allied or subsidiary entities or commissions, now existing or hereafter created, and their officers, agents, representatives, public officials and employees.

H. For the purpose of hold harmless and indemnity provisions contained in this Lease, the term "Hospital" shall be deemed to include Pontiac Osteopathic Hospital, its officers, agent, representatives, employees and appointees, and all other associated, affiliated, allied or subsidiary entities or commissions, now existing or hereafter created, and their officers, agents, representatives and employees.

I. This Lease may be executed in any number of counterparts and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Promptly after the execution thereof, the City shall submit to the Hospital a confirmed copy of this Lease.

J. As used herein, the singular shall include the plural, the plural the singular, and the uses of any gender shall be applicable to all.

IN WITNESS WHEREOF, the City and the Hospital, by and through their authorized officers and representatives, have executed this Lease as of the date first above written.

WITNESSES:

- 1) Saron Kapp
- 2) Sally Albrecht

PONTIAC OSTEOPATHIC HOSPITAL:

By: *Joseph W. W. W.* (570)
 Its: EXECUTIVE DIRECTOR

WITNESSES:

- 1) *John Clayton*
- 2) *Antoine Sudaway Shepherd*

CITY OF PONTIAC:

By: *Robert F. Ludolin*
 Its: Public Utilities Director

WITNESSES:

- 1) *John Clayton*
- 2) *Antoine Sudaway Shepherd*

CITY OF PONTIAC:

By: *Jo Anne Halliday, Deputy Mayor*
 Its: Mayor

WITNESSES:

- 1) *John Clayton*
- 2) *Antoine Sudaway Shepherd*

CITY OF PONTIAC:

By: *Robert M. ...*
 Its: City Clerk

LAW DEPARTMENT APPROVAL AS TO FORM:

FINANCE DEPARTMENT

No. 1935 Date July 14, 1987

I hereby certify that ~~an~~ appropriation of City funds is ~~required by this Lease~~ has been made to cover the expense to be incurred under this Contract.

Wayne W. Belleack
 Director of Finance

THIS LEASE SHALL NOT HAVE ANY FORCE OR EFFECT UNTIL SIGNED BY THE MAYOR, THE DEPARTMENT HEAD AND THE CITY CLERK OF THEIR DESIGNEES.

LEGAL DESCRIPTION

Parking Lot (1A) located at the northwest corner of Wide Track Drive, West and E. Pike Street.

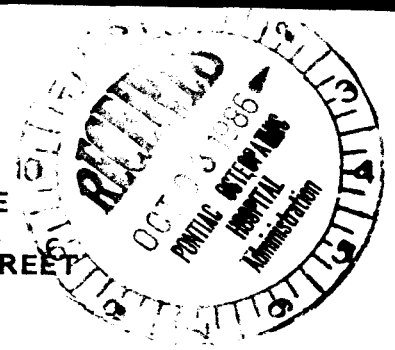
All that land located in Clinton Addition described as: Lots 1 to 6 both inclusive and the south 36 feet of Lot 7 except that part lying easterly of the westerly line of Wide Track Drive, East as now laid out and established. Also all of Lots 3 and 4, part of Lot 1 of Assessor's Plat No. 45, described as beginning at the southeast corner of Lot 1; thence N $6^{\circ}53'40''$ W 202.85 feet; thence N $7^{\circ}21'50''$ E 65.5 feet; thence N $2^{\circ}53'20''$ E to a point where a line 36 feet north of the south line of Lot 7 of Clinton Addition would intersect the east line of Lot 1; thence S $87^{\circ}42'10''$ W to a point on the west line of Lot 1, located N $12^{\circ}53'40''$ W 34 feet from angle in west line of Lot 1; thence S $12^{\circ}53'40''$ E 34 feet to said angle point; thence S $0^{\circ}33'20''$ W 265.3 feet; thence N $74^{\circ}53'10''$ E 135.0 feet to the point of beginning. Also Lot 2 of Assessor's Plat No. 45 except that portion lying west and northwest of the bed of the Clinton River, also except that part lying north of a line described as beginning at the southeast corner of Lot 5; thence east on extended south line of Lot 5, 22 feet; thence N $1^{\circ}45'24''$ W 18.23 feet; thence N $87^{\circ}43'$ E to the east line of said Lot 2.

All the above said land located in parts of the southeast 1/4 of Section 29 and southwest 1/4 of Section 28, T3N, R10E, City of Pontiac, Oakland County, Michigan.

S/15/80
Eng/Div
NT/ml

Contains approximately 86,000 s.f., exact square footage to be determined by survey in the field.

PARAMETERS OF AN AGREEMENT FOR THE LEASE
OF A CITY PARKING LOT, KNOWN AS LOT 1 AP,
LOCATED AT EAST WIDE TRACK DRIVE AND PIKE STREET
TO PONTIAC OSTEOPATHIC HOSPITAL



1. Lot 1 AP would be leased to Pontiac Osteopathic Hospital for an initial term of five (5) years with options to renew. (Number and length of options to be determined.)

The agreement will give "first right of refusal" to Pontiac Osteopathic Hospital. "First right of refusal" in this agreement will mean that Pontiac Osteopathic Hospital would be willing to proceed to purchase the property and construct an equal or greater development than that available to the City at any time during the term of this lease or the option periods.

2. The City would proceed with removing the parking meters from this lot. This would be the extent of the City's involvement in preparing this lot for lease transfer to Pontiac Osteopathic Hospital.
3. If Lot 1 AP is used eventually for a building development, the City would proceed to negotiate to either lease or sell the entire Mill Street parking structure to Pontiac Osteopathic Hospital.
4. As a condition of this lease, Pontiac Osteopathic Hospital would reconstruct the existing Lot 1 AP to include paving, striping and landscaping. Entry control would be at the discretion of Pontiac Osteopathic Hospital. Snow removal, maintenance and utility costs would be the sole responsibility of Pontiac Osteopathic Hospital during the term of the lease.
5. In return for Pontiac Osteopathic Hospital's reconstructing Lot 1 AP at its expense, the City would make the property available until such time as the total cost of the reconstruction is amortized at the rate of \$20 per month per space. For example, if the reconstructed lot contains 240 spaces, the rental that will be credited toward the reconstruction costs would be: 240 spaces @ \$20/month/space = \$4,800 per month or \$57,600 per year.

After Pontiac Osteopathic Hospital's investment has been amortized in this manner, parking will be leased to Pontiac Osteopathic Hospital at the going public rate for surface parking for the remainder of the terms of this lease.

If the City of Pontiac receives an offer for development of this property before Pontiac Osteopathic Hospital's investment for reconstruction is amortized at the above-mentioned rate, then the City will pro-rate a return to Pontiac Osteopathic Hospital in an amount of \$ 50 per year, based on an equitable value of the leasing of the unimproved property of Lot 1 AP. "Unimproved" means the condition of this lot before the reconstruction initiated and/or completed by Pontiac Osteopathic Hospital.

(Continued . . .)

**PARAMETERS OF AN AGREEMENT FOR THE LEASE
OF CITY PARKING LOT, KNOWN AS LOT 1 AP,
LOCATED AT EAST WIDE TRACK DRIVE AND
PIKE STREET TO PONTIAC OSTEOPATHIC HOSPITAL**

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If the Hospital utilizes the reconstructed lot for a period of five years or more, then the City would not be obliged to make any reimbursement to Pontiac Osteopathic Hospital for the costs of the lot reconstruction. The five-year period would start the first day of the month following initial occupancy of this lot.

6. It is understood that Pontiac Osteopathic Hospital requires 200 parking spaces at this time. The remaining 40 spaces in this lot will be made available to Michigan Bell employees at no greater than the going public rate for surface parking.

As far as Michigan Bell employees are concerned, Pontiac Osteopathic Hospital will be the vendor for parking services and all payments will be made to Pontiac Osteopathic Hospital.

7. Pontiac Osteopathic Hospital will be responsible for obtaining all licenses and permits required for reconstruction of this lot.
8. Pontiac Osteopathic Hospital will be responsible for obtaining a license as a parking operator for the period of time that spaces are leased to Michigan Bell employees.

October 2, 1986
HFH/ek