

## **EXTENSION OF PARKING AND LEASE AGREEMENT**

THIS EXTENSION OF PARKING AND LEASE AGREEMENT (“Agreement”) is made as of the 19th day of August, 2021, by and between Main Street Properties of Chapel Hill, LLC, a North Carolina Limited Liability Company, (“Lessor”), having a mailing address of 370 E. Main Street, Suite 200, Carrboro, North Carolina 27510 and the Town of Carrboro, a North Carolina municipal corporation, (“Lessee”), having its offices at 201 W. Main Street, Carrboro, NC 27510.

WHEREAS Lessor and Lessee have previously entered into a Parking and Lease Agreement with respect to certain real property and improvements thereon, pursuant to which Lessee leases from Lessor parking spaces on the Property owned by Lessor and known as 300 East Main Street in Carrboro; and

WHEREAS the term of said Parking and Lease Agreement was extended until and through August 19, 2021 by mutual agreement of Lessor and Lessee, and Lessor and Lessee now wish to further extend the lease term through December 31, 2023 under the same lease terms and conditions as stated in that certain Option to Extend Lease Agreement dated October 25, 2017.

NOW, THEREFORE, based on the premises stated and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by Lessor and Lessee, it is agree as follows:

1. **Term and Rental.** The term of the Parking Lease and Agreement is extended until and including December 31, 2023. During the extended term, the Town shall pay to Lessor as “rent” for the number and type of parking spaces described in paragraph 2 below, an annual payment equal to three percent (3%) of the combined gross receipts of the Hampton Inn & Suites hotel now existing on the Property and the Hilton Garden Inn hotel planned to be constructed on the Property up to a maximum annual rate of \$90,000.00 and (b) upon the issuance of a certificate of occupancy for the proposed Hilton Garden Inn to be built at 107 Padgett Lane the maximum annual rent shall increase to \$120,000.00.

2. **Parking Spaces Leased – Number, Location and Time.** During any the extended term, the Town leases from Lessor, and Lessor shall make available “public parking”, at least 150 undesignated parking spaces at the Property during daytime hours (7:00 a.m. until 5:30 p.m.) and at least 250 undesignated parking spaces during nighttime hours (5:30 p.m. until 3:00 a.m.). These “public parking” spaces shall be available free of charge to the public for increments of at least three (3) consecutive hours per user on terms at least as favorable as the most favorable terms offered for other “undesignated” parking spaces at the Property. During the extended term, Lessor may not reduce the number of undesignated parking spaces made available to the public pursuant to the terms of the Parking Lease and Agreement without the Town’s consent, which consent shall not be unreasonably withheld, conditioned or delayed.

3. **Town’s Right to Opt Out.** Upon six (6) months advance written notice to Lessor, the Town may during any “option year” (i.e., during any year beginning on or after August 19, 2018), (a) “opt out” of the remaining term of the Parking Lease and Agreement, or

(b) reduce the number of parking spaces available to the Town and the public as “public parking”, and if the Town does so then the annual rent payable at that time shall be reduced proportionately.

4. **Roberson Street/Main Street Parking Lot.** Lessor and the Town acknowledge that Lessor owns additional property used as a parking lot, located at the corner of Roberson Street and Main Street, and that parking spaces at this lot are now counted toward satisfying Lessor’s parking requirements at the Property. Should any of the parking spaces located in the Roberson Street/Main Street parking lot be eliminated by Lessor for any reason, the elimination of such parking spaces shall not reduce the number of undesignated parking spaces required by the Parking Lease and Agreement to be made available as “undesignated public parking”.

5. **Special Event Parking Coordination.** Lessor and the Town acknowledge that better coordination of parking spaces available at the Property during “special events”, including Town-sponsored events, would be mutually beneficial to Lessor and the Town. Therefore, and with this mutual interest in mind, Lessor and the Town agree to work together to develop a plan to improve communication and coordination concerning the availability and use of parking spaces at the Property and at the parking garage, particularly during events for which the Lessor or the Town anticipate significant extraordinary demand for parking. Furthermore, Lessor and Town agree that notwithstanding any provision in this Agreement to the contrary, Lessor shall suspend the maximum time limitation on parking established in paragraph 2 above (relating only to spaces covered by this Agreement) for up to eight (8) days each calendar year for Town-sponsored special events, provided that the Town must give Lessor at least sixty (60) days advance written notice of each date for which the time limitation is to be suspended. The Town may request additional suspensions of the time limitations on a case-by-case basis in connection with special events sponsored by Carrboro-area community organizations. Provided that the Town provides parking monitoring services at its expense for large or weekend special events, Lessor will use reasonable efforts not to refuse access to parking spaces available for Town use during special events unless the maximum number of undesignated available parking spaces are occupied, and the Town and Lessor shall cooperate to provide sufficient qualified staff to be paid by the Town to monitor the use of parking spaces on the Property during Town-sponsored special events.

6. **Survival of Existing Parking Lease and Agreement Terms.** Except as specifically set forth herein, the terms of the existing Parking Lease and Agreement shall remain in full force and effect during the extended term of this Agreement. To the extent that there may be any conflict between the terms of this Extension of Parking and Lease Agreement and the Parking Lease and Agreement, the terms of this Agreement shall control.

LESSOR:

Main Street Properties of Chapel Hill, LLC

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

TOWN OF CARRBORO

By: \_\_\_\_\_

Richard J. White III, Town Manager

**EXHIBIT A TO LEASE**

Deed/Legal Description of Property

(TO BE PROVIDED)