

Material Changes to Downtown Hotel Redevelopment Agreement
Differences from May 25, 2010 Approved Agreement

Page	Section	Change
Cover	n/a	Adds additional legal entities to Redevelopment Agreement: <ul style="list-style-type: none"> • EM Properties, Ltd. (in original) • Pere Marquette Hotel, LLC (new) • Pere Marquette TIF, Inc. (new)
2	n/a	Adds a "Whereas" regarding the "Disputes"
3-10	1.1	Adds and clarifies certain definitions, most importantly: <ul style="list-style-type: none"> • States in "Costs of the Project" that the funded development fee will be \$0 (page 4) • Changes the draw schedule for Project Grant from 36.076% to 50% (page 5) • Defines "Project Loan" (page 8) • Defines various legal entities and financing mechanisms
10	2.1	Reduces Courtyard room count to 116
11	2.1	Gives developer 5% flexibility (+/-) for room counts, parking spaces and retail square footage
11	3.1	Identifies a small portion of the property that will be a ground lease rather than a purchase
12	3.2.1	Forces commencement within 45 days of Finance Closing
14	3.7	Allows the City to examine evidence of any "labor, material, performance and payment bonds"
18	5.1	Reduces Project Grant from \$37M to \$29M
18-19	6.1 – 6.8	Creates a Project Loan of \$7M with the following features <ul style="list-style-type: none"> • 25 year term • Interest-free from Financing Closing Date until the earlier of Final Completion or 3rd anniversary of Financing Closing Date • 7% interest per year after interest-free period ends • 23 annual principal payments of \$304,348 starting on the 3rd anniversary of the Financing Closing Date • Project Loan can be repaid at any time without penalty • Mortgage is junior to Senior Debt • There is a personal guaranty of the loan by Gary Matthews
19	7.1	States that there is no funded developer fee
19	7.2	Any cost savings realized prior to Financing Closing Date will be deposited in contingency fund
20	7.3	Any cost savings during construction (after Financing Closing Date) shall be split equally between two debt service reserves: one for the City's Project Loan and one for the Senior Debt
20	7.4	If hotels are sold, deposits remaining in either reserve are paid to the City alone
21	8.4	Project Loan will be fully funded on Financing Closing Date; Project Grant will be drawn on a 50/50 basis

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21-24	8.5-8.6	<p>New "Conditions Precedent to Project Grant and Project Loan"</p> <ul style="list-style-type: none"> • Redeveloper certifies that there are no amendments to any submitted documents, including plans and specifications; construction contract; budget (Schedule 4); franchise documents. • If there are amendments, City must approve. • Produce supporting documentation that all necessary financing is in place. • Certain organizational documents • Proof of ownership or control of all property • Various other items
25	8.7.1	City can delay sale of taxable bonds for 90 days if rate exceeds 7.5%
25	8.8	Both parties agree to use their best efforts to cause the Financing Closing Date to occur before 12/31/2011. If Financing Closing Date does not occur by 1/31/2012 agreement automatically terminates
27	9.13	Hotels must conform to certain Marriott FF&E standards, with the City's right to inspect
27	9.15	States that Gary E. Matthews will have a controlling interest in each entity
n/a	Schedule 4	Changes the project budget
n/a	Schedule 5	Redeveloper agrees not to appeal property tax assessment on Project