

LEASE AGREEMENT

between

CITY OF ANN ARBOR

and

AVIATION CENTER, INC.

December 1, 1998

This contract is between the CITY OF ANN ARBOR, a Michigan municipal corporation (City), and AVIATION CENTER, INC, hangar owner and hereby known as Lessee.

In consideration of the mutual promises below, City and Lessee agree as follows:

1. **PREMISES:** The City agrees to lease to the Lessee property in Pittsfield Township, Washtenaw County, Michigan, described in Exhibit A (attached) hereby known as Premises. Premises shall mean the land area described in Exhibit "A". The total area of the Premises is approximately 66,750 square feet. The structure, owned by Lessee and referred to in said agreement and Exhibit "A" will be known as Hangar.
2. **LEASE DURATION:** The term of the lease shall be ten (10) years commencing on December 1, 1998 and terminating November 30, 2008. Lessee shall have the option to renew this agreement for two additional five (5) year terms, and in accordance with the conditions as set forth in Paragraph 6 (Renewal Notices and Termination) of this agreement. This agreement may only be changed in writing, and signed, by the City and the Lessee.
3. **RENT:** The land rent per square foot per year is \$.252 for a total annual rent of \$16,821.00 for the first year of the lease. Lessee shall pay to the City the annual rent in monthly installments of 1/12 the annual rate, in advance or before the first day of each month starting December 1. Failure to make monthly payments in accordance with the terms and conditions of this agreement for whatever reason, shall be subject to the penalties as stated in Paragraph 4 (Late Payment) and Paragraph 6 (Renewal Notices & Termination) of this agreement. The annual land rent will be increased each December 1 during the term by the percentage increase, if any, in the Consumer Price Index. "Consumer Price Index" means the Consumer Price Index published by the Bureau of National Statistics of the United States Department of Labor, U.S. City Average, All Items and Major Group Figures for Urban Wage Earners and Clerical Workers (1967=100). The Consumer Price Index shall be calculated by using the twelve (12) month period (October to October) preceding each December 1 when the rent adjustment is to take place. If a substantial change is made in the manner of computing the Consumer Price Index, then the Consumer Price Index will be adjusted to the figure that would have been used had the manner of computing the Consumer Price Index in effect at the date of this lease not been

altered. If the Consumer Price Index (or a successor or substitute index) is not available, a reliable governmental or other non-partisan publication evaluating the information used in determining the Consumer Price Index will be used. Delays in computing the Consumer Price Index by either party will not impair the continuing obligation of the Lessee to pay rent adjustments.

4. **LATE PAYMENT:** Should Lessee fail to make the monthly rental payment by the fifteenth (15th) day of the month, an additional late payment penalty of one (1) percent per month or \$15 (which ever is higher), for the unpaid balance of the annual rent will be required of the Lessee. Rent shall be deemed paid on the date when received by the Ann Arbor Airport Office or City Treasurer. If a check for payment is dishonored for any reason, that is not the fault of the City, rent shall be deemed paid when the check is honored. If a check is returned, a fee of twenty five (25) dollars, or as amended by City will be assessed to the Lessee's account. Rent more than sixty (60) days past due shall be considered delinquent and in default, and subjects the Lessee to termination and eviction.
5. **DEFAULT PAYMENT:** If the Lessee defaults on any payment(s) or expenditure(s) other than Rent required to be paid or expended by the Lessee under the terms and conditions of the lease, the City may, at its option, make the payment(s) or expenditure(s). The amount paid shall be payable to the City by the Lessee on the next ensuing rent day together with interest at fifteen (15) percent per annum from the date of payment by the City, or at the highest rate permitted by law (whichever is lower). If Lessee defaults on payment(s), the City shall have the same remedy(ies) as on default in payment for Rent.
6. **RENEWAL NOTICES and TERMINATION:** At least ninety (90) days but not more than one hundred eighty (180) days before the expiration of the initial term and extensions of this lease. Lessee must notify City of its intention to lease the Premises for the additional option period as stated in Paragraph 2. Lease Duration. If the Lessee does not wish to extend the lease in accordance with Paragraph 2. Lease Duration, the Lessee shall remove its owned fixtures, furniture and equipment on or within the Hangar and on the Premises and leave the Hangar and Premises in a tenantable condition, reasonable wear and tear excepted. Upon termination of this lease. Ownership of all remaining facilities shall become vested in the City of Ann Arbor and Lessee shall vacate the Hangar and Premises prior to the last day of the agreed term or option period. For a lease extension beyond that approved in Paragraph 2, Lease Duration, and following the above notification period, the City, sixty (60) days prior to the expiration of the final term of the lease, shall notify Lessee upon what, if any, terms and conditions City would be willing to lease the Premises. Lessee may enter into a lease on the offered terms and conditions by making notice of acceptance to City at least fifteen (15) days prior to the expiration of the initial term of this lease. If the Lessee does not accept the offer, or if no offer is made, the requirement to vest ownership of the hangar to the City and vacation of all remaining facilities as stated above will apply.
7. **HOLDING OVER:** It is agreed that in the event of the Lessee holding over after the expiration of the lease, tenancy shall be on a month-to-month basis in the absence of a written agreement between the City and Lessee or notice of termination. Acceptance of Rent by the City after the expiration of the lease shall not constitute an extension of the lease beyond the month in which the rent payment was accepted. The land rental rate for

holding over shall be computed by the City in accordance with Paragraph 3 (Rent) and the terms and conditions of this lease. The Hangar rental rate shall be established by an appraisal of like facilities in the surrounding area and at other airports and shall be in effect on the commencement of the hold over period.

8. **USE AND OCCUPANCY:** During the continuance of the lease, the Premises and Hangar shall be used and occupied for aviation related activities, and for no other purpose(s) without the written consent of the City. The Lessee by accepting this lease agrees for itself, its successors, and assigns that it will not make use of the Premises and Hangar in any manner which might interfere with the landing and taking off of aircraft from Ann Arbor Municipal Airport, or otherwise constitute a hazard. The Lessee will not use the Premises and Hangar in violation of any law, municipal ordinance or regulation. It is mutually acknowledged that this agreement requires the engagement in those commercial operations defined below and more specifically as listed in the required annual Airport Commercial Use Permit. At all times during the Term, the Premises and Hangar and related facilities shall be used and operated by the lessee as a general aviation service and maintenance operation facility. Lessee shall, as required by this agreement and subject to having an approved Airport Commercial Agreement, provide the following goods and services:
- A. The sale of aviation fuels, (80 octane, if available, 100 octane and Jet Fuel) and lubricants. Supplier of aviation fuels and lubricants shall be required to notify the City, in writing, the quantity of fuels and lubricants shipped to Aviation Center following each occurrence and Aviation Center to remit to the Airport the Fuel Flowage Fee upon receipt of the fuel or Billing from Airport. All personnel assigned the responsibility of loading or dispensing aviation fuels shall have a minimum of 20 hours of experience and training and be supervised at all times. All personnel shall wear clean and neat uniforms identifying them with the organization and related services. Lessee shall train all personnel with equipment and procedures for recovery of all types of spilled fuel or hazardous materials. Training will include procedures for notifying appropriate agencies and the airport when a fuel or material spill occurs;
 - B. The sale, and/or leasing of aircraft, aircraft parts, supplies and accessories;
 - C. Lessee shall make available for rental, a minimum of two (2), clean, well maintained and FAA certified aircraft.
 - D. The sale, servicing, maintenance and repair of aircraft and related equipment, supplies and accessories;
 - E. The sale of specialized aviation sundries and flight crew equipment such as navigational computers, maps, charts, map cases, specialized flying clothing, and similar accessories within a store in the premises or terminal;
 - F. The conduct of a flight school for pilot training. The flight school shall have at a minimum, one trained and certified flight and ground instructor and two (2) clean,

well maintained and FAA certified training aircraft available during the business hours established in this agreement;

- G. The availability of hangar space for aircraft that are owned, operated by or under care and custody of Lessee, either within this facility or another facility on the airport over which Lessee has control;
- H. The availability of maintained, fueled and insured Courtesy Cars for Flight Crews using the Ann Arbor Airport.
- I. Lessee agrees that the hours of operation for the premises, fuel and other aviation services shall be at a minimum, 7:30 A.M. to 8:00 P.M. (October through May) and 7:30 A.M. to 10:00 P.M. (June through September).
- J. The operation of an licensed airport Unicom radio in accordance with FAA and FCC regulations with all calls being monitored and properly responded to during the hours the company is open for business. Failure to properly operate the Unicom radio will be cause for the City to withdraw the authority to hold the license. A copy of the current Unicom license shall be on file in the airport manager's office.
- K. The availability of rental vehicles through a nationally franchised company that specializes in new and well-maintained automobiles;
- L. A staffed, clean and furnished lobby, pilots lounge, pilot briefing room and restrooms with good furniture, available for all pilots and flight crews;
- M. Use trained personnel for parking of all transient aircraft as well as providing extra personnel and supervision during special events such as the annual airport open house and University of Michigan football game day.
- N. APU, GPU, portable engine heater and Deicing equipment or facilities.
- O. Optional Services not required, but encouraged: Sale of new and/or used aircraft. aircraft charter service and aircraft airframe and hull repair.

No other goods or services may be provided unless they have been approved in advance in writing by Lessor. Lessee as provider of all services shall be subject to all applicable laws and regulations regarding approved services.

Lessee shall not move out or vacate the Premises during the Lease Term or cease to provide the goods and services required by this Article at any time during the Lease Term or any extension to the Lease Term or transfer of lease of Premises. Violation of this provision will subject the lease to the termination provisions as outlined in Paragraph 6, (Renewal Notices and Termination).

- 9. **ASSIGNMENT:** The Lessee promises not to assign, transfer, encumber or sublet the Premises and Hangar or any part of the Premises, Hangar and services without the written consent of the City, (which consent will not be unreasonably withheld). Lessee shall give

the City sixty (60) days written notice of its intention to assign, transfer, encumber or sublet the Premises and Hangar.

10. **BANKRUPTCY AND INSOLVENCY:** The Lessee agrees that a) if the estate created by this lease is taken in execution or by other process of law, b) the Lessee is declared bankrupt or insolvent according to law or any receiver be appointed for the business and property of the Lessee, or c) if any assignment is made of the Lessee's property for the benefit of creditors, then this lease may be canceled at the option of the City in accordance with Paragraph 6 "Renewal Notices and Termination" of this lease.

11. **RIGHT TO MORTGAGE/SUBORDINATE:**
 - A. The City reserves the right to subject and subordinate this lease at all times to the lien of any mortgage or mortgages now or later placed upon the City's interest in the land which the Premises is a part or upon any encumbrance later placed on the land which the Premises forms a part. The Lessee promises and agrees to execute and deliver upon demand any further instrument(s) subordinating this lease to the lien of any mortgage or mortgages as shall be desired by the City and hereby irrevocably appoints the City the attorney-in-fact of the Lessee to execute and deliver any such instrument or instruments for and in the name of the Lessee.
 - B. This lease shall be subordinate to the provisions of any existing or future agreement between the City and the United States, relative to the operation or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the expenditure of federal funds for the development of the airport.
 - C. The Lessee shall have the right to mortgage the leasehold interest in the Hangar to make agreed upon improvements to the Hangar and Premises and the Lessor agrees to consent to the mortgage. Lessee agrees that no mortgage or lien on the Hangar shall have a term that extends beyond the termination date of this lease.

12. **TENANT TO INDEMNIFY:** The Lessee agrees to indemnify and hold harmless the City from any liability for damages to any person or property in, on or about the Premises. The Lessee will procure and keep in effect during the Lease duration, public liability and property damage insurance for the benefit of the City in the sum of \$500,000 for damages resulting to one (1) person and \$1,000,000 for damages resulting from any one (1) occurrence. The Lessee shall deliver certificates of the policies to the City and shall name the City of Ann Arbor as an additional insured party. Upon the Lessee's failure to provide proof of insurance by providing a copy of the policy(ies) within five (5) business days after being notified of the Lessee's failure to file the documents, the City may terminate this agreement subject to the terms and conditions set forth in Paragraph 6 (Renewal Notices and Termination).

13. **CASUALTY LOSS:** It is understood and agreed between the parties that if the Lessee's Hangar is damaged or destroyed in whole or in part by fire or other casualty during the lease duration, the Lessee will replace or repair and restore the facility to its condition prior to the loss, or remove it in its entirety from the Premises with reasonable dispatch. There shall be no abatement of rent during the period of restoration or removal. Once

removal of the hangar from the airport has been completed and the site restored to the satisfaction of the City, the lease agreement may be terminated by the City. Lessee's Hangar replacement, repairs or removal shall be the sole responsibility of the Lessee.

14. **IMPROVEMENTS/ALTERATIONS:** The Lessee is responsible for all expenses related to the maintenance and repair of the Premises. The Lessee agrees to make reasonable repairs, refurbishment and maintenance of premises to a level of quality equal to the other large facilities on the airport. The Lessee agrees to make the improvements to Hangar, Premises and other leased facilities in accordance with the project list and schedule depicted in Attachment "B" of this agreement. Failure to make agreed upon improvements as stated in Attachment "B" of this lease shall be cause for termination of this agreement in accordance with Article 6 "Renewal Notices and Termination" of this lease. The Lessee shall not make any alterations, additions, or structural improvements to the Premises without the City's advance written approval. The City agrees to make improvements to Premises in accordance with the project list and schedule depicted in Attachment "C" of this agreement.

15. **RESERVATIONS:**

- A. The Lessee by accepting this lease expressly agrees that it, its successors and assigns will not erect nor permit the erection of any structure or object on the Hangar or Premises without the prior written approval of the City. Should Lessee breach this covenant, the City reserves the right to enter upon the Premises and remove the offending structure or object and Lessee shall be solely responsible for all removal costs.
- B. The City reserves the right to acquire and demolish or relocate with recourse, the Hangar on the Premises in accordance with this lease; should the removal be required for reasons of safety or airport development. In such event, the City shall give no less than 90 days written notice of its need and intent regarding the building.
- C. There is hereby reserved to the City, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the Premises. This public right of flight shall include the right to cause in said airspace any noise inherent in the operation of any aircraft used for navigation or flight through the said airspace or landing at, taking off from, or operation on the Ann Arbor Municipal Airport.
- D. The City reserves the right to use the airspace above the Premises for the operation of aircraft taking off or landing, at the Ann Arbor Municipal Airport. The Lessee by accepting this lease, agrees for itself, its successors, and assigns that it will not make use of the Premises in any manner which might interfere with the landing and taking off of aircraft from Ann Arbor Municipal Airport or otherwise constitute a hazard. In the event the aforesaid covenant is breached, the Lessor reserves the right to enter upon the Premises and cause the abatement of such interference at the expense of the Lessee.

16. **SERVICES NOT EXCLUSIVE:** It is understood by the Lessee that no right or privilege has been granted which would operate to prevent any person, firm, or corporation from operating aircraft or performing like services on the airport or from performing any services on its own aircraft with its employees or contracted employees (including, but not limited to, maintenance and repairs that it may choose to perform).
17. **ACCESS TO PREMISES:** The City reserves the right of free access at all times to the Premises, Hangar and other facilities. Upon proper notice to the Lessee, the Airport Manager, and/or his/her authorized agent(s) accompanied by the Lessee and/or his/her authorized agent(s), may at any reasonable time enter the Hangar to make an inspection to determine if the Lessee is complying with the terms and conditions of the lease, regulations that govern the operation or the use and occupancy of the leased premises and Hangar.
18. **CARE OF PREMISES:** The Lessee shall not perform any acts or carry on any practices which may injure the Premises or be a nuisance or menace to other airport lessees or tenants. Lessee shall keep the Premises under its control clean and free from rubbish, snow and ice, and the grass mowed at all times. In the event the Lessee shall not comply with these provisions, after seven (7) days written notice for snow and ice or fifteen (15) days written notice for all other required remedies, the City may enter upon the Premises and remove rubbish, dirt, snow and ice, and mow the grass in which event the Lessee shall pay to the City all costs involved. Lessee shall pay this charge to the City within fifteen (15) days of presentation of the bill or the City shall have the same remedy(ies) as on default in payment for Rent.
19. **COMPLIANCE WITH LAWS, ORDERS, REGULATIONS, OR ORDINANCES:**
 - A. The Lessee shall at its own expense promptly comply with all laws, orders, regulations, or ordinances of all Municipal, County, State, and Federal authorities affecting the Premises and the cleanliness, safety, occupation, and use of the Premises, including, but not limited to 42 U.S.C. 6991 et seq., 40 C.F.R. Part 281, and MCL 299.701, et seq.
 - B. The Lessee agrees to comply with the notification and review requirements covered in Part 77 of the Federal Aviation Regulations in the event any future structure or building is planned for the Premises, or in the event of any planned modification or alteration of any present or future building or structure situated on the Premises.
 - C. This lease shall be subordinate to the provisions and requirements of any existing or future agreement between the City and the United States, relative to the development, operation or maintenance of the airport.
 - D. Lessee agrees that the rules and regulations, as amended from time to time, governing the Ann Arbor Municipal Airport, shall be binding and incorporated by reference into this lease.
20. **CONDITION OF PREMISES AT TIME OF LEASE:** The Premises is leased "as is." The Lessee acknowledges that he/she/it has examined Premises prior to the making of this

lease, and knows the condition of land herein described as Attachment "A". Lessee says that the City and or its agent(s) have made no representations as to its condition or state of repairs of the Premises. Lessee accepts the Premises in its present condition at the date of the execution of this lease. The City shall not be responsible or liable to the Lessee for any loss or damage from the acts or omissions of persons occupying any part of adjoining premises or damage resulting to the Lessee or its property from bursting, stoppage, or leaking of water, gas, sewer or steam pipes unless the City owns or controls the utility service.

21. **UTILITIES AND TAXES:** Lessee will pay all charges made against the Hangar for gas, water, heat, and electricity for the duration of this lease, as the same shall become due. Lessee shall be responsible for and pay all taxes and special assessments assessed against the Hangar and its contents. Failure to pay all taxes shall subject the Lessee to the same remedy as provided in paragraph six (6) of this lease. Lessee shall provide City with a copy of the paid tax receipt within thirty (30) days of the date the tax bill was paid.
22. **SIGNS AND ADVERTISING DISPLAY:** The erection of signs and advertising displays in and about the Hangar and Premises must receive prior City approval. No awning shall be installed or used on the exterior of the Hangar on the Premises unless the awning is approved in writing by the City. Lessee shall have the right to display on the Hangar or about the premises appropriate signs for the purpose of identifying the Lessee, its services and Hangar address.
23. **ATTACHMENTS:** If the Lessee defaults in the terms and conditions of the lease or deserts the Premises, it shall be lawful in accordance with the laws of the State of Michigan, for the City, its certain attorneys, representatives and assigns to attach the Lessee's Hangar and leased Premises. The City shall provide a thirty (30) day written notice of its attachment of Lessee's Hangar and the leased Premises to the Lessee and any City authorized sub-Lessee. No third party rights are implied. Lessee agrees to pay all expenses incurred in obtaining possession of the Premises.
24. **QUIET ENJOYMENT:** The City promises that the Lessee, on payment of all the required fees and charges and performing all the Lessee's promises and obligations under the lease, shall and may peacefully and quietly have, hold and enjoy the Premises for the duration of the lease term.
25. **REMEDIES NOT EXCLUSIVE:** It is agreed that each of the rights, remedies and benefits provided by this lease shall be cumulative, and shall not be exclusive of any other right, remedy and benefit, or of any other rights, remedies and benefits allowed by law.
26. **DISCRIMINATION:** Lessee, its agents and employees, shall not discriminate against any person or class of persons by reason of race, color, creed, national origin, marital status, age, condition of pregnancy, religion, physical limitations, source of income, family responsibilities, education association, sexual orientation or sex. Lessee, its agents and employees shall be bound by the non-discriminatory provisions required by the Code of Federal Aviation Regulations, and as such Regulations may be amended. Lessee shall use the Premises in compliance with all other requirements imposed by or pursuant to Title 49, Office of the Secretary, Part 21, Nondiscrimination in Federally-assisted programs of the

Department of Transportation—effectuation of Title VI of the Civil Rights Act of 1964, as said regulations may be amended.

27. **NOTICES:** Whenever under this lease a provision is made for notice of any kind, it is sufficient if the notice to the Lessee is in writing addressed to the Lessee at its last known post office address and deposited in the mail with postage prepaid.

**Aviation Center, Inc.
719 Airport Drive
Ann Arbor, Michigan 48108**

If the notice is to the City, it is sufficient if it is in writing addressed to the last known post office address of the City and deposited in the mail with postage prepaid.

**Ann Arbor Municipal Airport
801 Airport Drive
Ann Arbor, MI 48108
Attn: Airport Manager**

28. **OWNERSHIP OF FIXTURES AND IMPROVEMENTS:** Notwithstanding any other provisions in this lease, any improvements to the leased Premises become the sole property of the City upon expiration or termination of this lease and approved extensions. Lessee shall not encumber the Premises and its applicable property in any way beyond the lease term. All business fixtures and equipment, not attached to the Hangar or Premises shall remain the Lessee's and be completely removed at the termination of this agreement.
29. **RIGHT OF FURTHER DEVELOPMENT:** The City reserves the right to further develop or improve the landing areas of the airport as it sees fit, regardless of the desires or views of the Lessee and without interference or hindrance.
30. **CONSENT:** In all cases requiring written consent from the City, consent shall not be unreasonably withheld. In all cases in which the consent has been requested in writing, the City will respond within sixty (60) days or the consent will be automatically approved.
31. **WAIVER:** One or more waivers of any promises or conditions by the City shall not be construed as a waiver of a further breach of the same promise or condition.
32. **SETTLEMENT OF CLAIMS:** Upon notice from the City, Lessee agrees to settle, adjust and defend any claim made or suit brought against the City for any loss, injury or damage arising out of Lessee's use of the Premises, at the Lessee's sole cost and expense and to pay any judgment rendered, together with cost of court.
33. **AMENDMENTS:** This is the full and complete understanding of the lease, all prior or future verbal or written agreement(s) are null and void. This agreement may only be changed, in writing, signed by both parties. The promises, conditions and agreements made and entered into by the parties are declared binding on their respective heirs, successors, representatives and assigns, or sub-Lessee.

34. **HEADINGS:** The numbering and headings are not a part of this lease and are intended only to assist in locating the relevant lease terms.
35. **HANGAR OWNERSHIP:** Lessee shall provide proof of ownership of Hangar in Lessee's name by providing a copy of the official registered deed or other legal documentation, acceptable to the City, within sixty (60) days from the commencement date of this agreement. Failure to provide legal documentation of Lessee's ownership, will be cause for termination of this lease in accordance with the terms and conditions as stated in Paragraph 6 "Renewal Notices and Termination" of this lease.
36. **OPTION TO LEASE LAND:** Lessee shall have the first right-of-refusal option to lease the land adjacent to the new automobile parking lot Lessee constructs in accordance with Attachment "B" of this lease, for a period of thirty (30) days prior to the City leasing the said property to another party. Should the above stated property be leased to another party within seven (7) years of the construction of the parking lot by Lessee, the new party shall reimburse Lessee for fifty percent (50%) of the actual construction costs of the parking lot. Said parking lot shall remain open to the Lessee's customers and employees, general public and all other users of the airport. Should the above stated parking lot not be constructed by Lessee, then no option to lease the land area will exist.

WITNESSETH our hands and seals this 24TH day of NOVEMBER, 1998.

CITY OF ANN ARBOR,
a Michigan Municipal Corporation

AVIATION CENTER, INC.

By /s/
Ingrid B. Sheldon
Mayor

Mark Roisen
Mark Roisen
President

By /s/
Winifred W. Northcross
City Clerk

John Solo
John Solo
Vice President

Approved as to Substance:

Approved as to Form:

By /s/
Neal G. Berlin
City Administrator

By /s/
Abigail Elias
City Attorney

ATTACHMENT "B"

LESSEE IMPROVEMENTS TO HANGAR AND RELATED FACILITIES

Lessee agreed to hangar and facility improvements:

The following projects to be constructed within year one (1) of the commencement date of this agreement:

- New Auto Parking Lot and Repair of Existing Parking Lot
- Expansion of Aircraft Parking Apron and Repair of Existing Apron
- Repair and Paint Entry Side of Hangar Office Building
- Replace Main Hangar Doors
- Replace All Hangar and Office Building Entrance Doors
- Minimum expenditure for all above improvements: (\$115,000.00)

The following projects to be constructed between years two (2) and three (3) of the commencement date this agreement:

- Remodel Bathrooms, Offices and Lobby and Provide New Furniture in Lobby
- Strip, Seal and Paint Main Hangar Area Floor
- Minimum expenditure for all above improvements: (\$35,000.00)

The following projects to be constructed between years four (4) and ten (10) of commencement date of this agreement:

- Remove Existing Apron and Replace With New Pavement
- Wash and Paint Exterior of Total Hangar
- Repair and Replace Hangar and Office Area Roof Surface
- Replace Hangar and Office Area Furnaces & Air Conditioning Systems
- Connect Sanitary Sewer Line to Hangar (Excluding Connection Fee)
- Minimum expenditure for all above improvements: (\$105,000.00)

ATTACHMENT "C"

CITY IMPROVEMENTS TO PREMISES

City agreed to Premises improvements:

The following projects to be constructed within the initial term of this agreement:

- Connection Fee to Pittsfield Township for Sanitary Sewer Service
- Relocation of Existing Fence for Expanded Auto Parking Lot