

SECOND AMENDMENT TO LEASE

This Second Amendment to Lease (“Amendment”) is made on _____, 2021, between **LIVINGSTON COUNTY** (“Landlord”) and **THE REGENTS OF THE UNIVERSITY OF MICHIGAN** (“Tenant”). Capitalized terms used herein but not defined shall be given the meanings assigned to them in the Lease.

RECITALS:

- A. Landlord and Tenant entered into a Lease Agreement dated June 12, 2012, as amended by that First Amendment to Lease dated April 28, 2020 (collectively, the “Lease”) pursuant to which Tenant leased, for a term of twenty years, certain hangar and office space (“Premises”) at the Emergency Medical Services building located at 1885 N. Tooley Road, Howell, Michigan (“Building”);
- B. Landlord and Tenant desire to modify the terms of the Lease as it relates to the amount of Additional Rent to be paid by Tenant; and
- C. Landlord and Tenant desire to confirm their understandings with regard to the amount of Additional Rent to be paid by Tenant, in accordance with the terms and conditions of this Amendment.

AGREEMENTS:

In consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, Landlord and Tenant agree as follows:

- 1. **The Site Street Address:** The street address of the Site (as defined in Background Paragraph A) has been changed from 1885 Tooley Road to 1911 Tooley Road.
- 2. **Additional Rent:** Section 4.1 (*Additional Rent*) of the Lease is deleted in its entirety and replaced with the following:

Additional Rent: Tenant shall also pay to Landlord, as “Additional Rent”, Tenant’s share of “Landlord’s Operating Expenses” (as defined below) according to the following schedule:

Lease Year	OpEx	
	Monthly	Annual
11/1/2013-10/31/2018	\$9,781.50	\$117,378.00
11/1/2018-10/31/2023	\$9,977.13	\$119,725.56
11/1/2023-10/31/2028	\$10,176.67	\$122,120.07
11/1/2028-10/31/2033	\$10,380.21	\$124,562.47

Landlord’s Operating Expenses relate to the Premises, the Building and the real property on which the Building is located and are defined as: (a) all real property taxes if any coming due in the usual course of business during the lease term, exclusive of any taxable additions by persons other than Tenant (after the date of the lease); (b) water, sewer, electricity, gas,

and other sources of power for heating, lighting, ventilating, or air-conditioning for the Building; (c) janitorial services for the Common Areas and the Premises contracted for by Landlord, and/or wages, salaries, fringe benefits, and applicable taxes on the employer for such janitorial services performed by Landlord's employees; (d) supplies consumed in connection with cleaning and general maintenance of the Common Areas and the Premises; (e) snow removal and exterior grounds care, including the new access road to the Airport; (f) installation and maintenance of exterior and Common Area signs identifying the Building and its tenants; (g) insurance premiums for the Building; (h) the annual amortized amount for any capital improvements (as defined in accordance with generally accepted accounting principles, except that, for purposes of this Section, capital improvements shall only include replacements and shall not include additions or upgrades beyond what is required by the final construction drawings and specifications for the Premises unless the same are made at the request of Tenant or required by applicable law or any government agency having jurisdiction over the Premises) made by Landlord to the Building (e.g., replacement of HVAC equipment) and the Common Areas (but excluding any depreciation or amortization of the initial costs of the Building or Site Improvements), all amortized over the useful life of the capital item on a straight line depreciation basis, computed in accordance with generally accepted accounting principles; (i) Landlord's costs for providing maintenance, repair and replacements for the Premises pursuant to Section 9.2 of the Lease and (j) any of Landlord's costs or obligations under the Airport Access Agreement.

Landlord's Operating Expenses excludes any costs for (1) maintenance, repair or replacement of the Building roof, exterior windows, exterior doors (except the Hangar rolling door), floor, and walls; (2) building mechanical systems, including heating, air conditioning, ventilation, electrical and plumbing maintenance of the Building, except as set forth in Section 9.1(b) and (3) any capital expenditures, all of which are the Landlord's sole cost and responsibility under Section 9 of this Lease, except as set forth in the paragraph above. The foregoing notwithstanding, Operating Expenses shall not include the cost of any maintenance, repair or replacement of any building component or equipment, nor the repair or replacement of any defects in materials and workmanship, that are covered by any warranty issued by any contractor, subcontractor, supplier or manufacturer.

3. **Additional Rent Correction Payment:** The parties acknowledge that rather than paying the amounts set forth in the Additional Rent Schedule set forth in Section 2, above, for the period of time from November 1, 2013 through October 31, 2014, Tenant paid the Monthly Additional Rent payment of \$9,781.50 and for the period of time from November 1, 2014 through February 28, 2021, Tenant paid the Monthly Additional Rent payment of \$9,876.17 ("Payment Discrepancy"). The parties desire to recognize the Payment Discrepancy with a one-time payment from Tenant to Landlord in the amount of \$1,717.28, which Tenant shall make with its March 2021 Base Rent and Additional Rent payments. This amount is intended to correct the Payment Discrepancy.

4. **Foam Fire Suppression System Expenses.** Notwithstanding any other provision of the Lease as amended, Tenant shall pay to Landlord 100% of the costs incurred by Landlord to replenish the foam fire suppressant in the foam fire suppression system in the hangar portion of the Premises, as necessary for regular maintenance and any required upgrades to the foam fire suppression system in hangar portion of the Premises, which costs shall be paid within ninety (90) days of receipt of an invoice from the Landlord. Landlord shall provide thirty (30) days prior written notice to Tenant of replenishment of foam fire suppressant or any required upgrade work on the foam fire suppression system.

5. **Utilities and Other Charges.** Section 5.0 (*Utilities and Other Charges*) of the Lease is hereby deleted in its entirety and replaced with the following:

Utilities and Other Charges. Tenant will pay separately all telephone and internet costs separately billed to the Premises. All other utility costs are included in Tenant's Additional Rent payments made pursuant to Section 4.1 of the Lease.

6. **Maintenance and Repairs.** Section 9.1 (*Landlord's Obligations*) and Section 9.2 (*The Premises*) are hereby deleted in their entirety and replaced with the following:

9.1 Landlord's Obligations. Landlord, at its expense (excluding those expenses for which Tenant pays either as part of its monthly Additional Rent payment as set forth in Section 4.1, above, or mutually agreed to in advance and billed by separate invoice payable within 30 days), shall be responsible for all Building Common Areas and Premises maintenance and repairs, including but not limited to, the following: (a) roof, exterior windows, exterior doors (except the Hangar rolling door), floor, and walls; (b) building mechanical systems, including heating, air conditioning, ventilation, electrical and plumbing; (c) Site grounds and parking lot, including snow and ice removal; (d) trash removal; (e) fire equipment/exit signs and (f) proximity card reader access system. Landlord shall provide janitorial service and supplies for the Building Common Areas, the external Common Areas and the Premises.

9.2 The Premises: Tenant shall be responsible for repair and maintenance due to damage caused by Tenant's negligence or willful misconduct. Tenant shall also be responsible for the costs of maintenance, repair of the Premises and every part thereof (except as set forth above regarding Landlord's structural obligations) including replacement as required. Landlord shall perform or contract for the repairs and maintenance to the Premises and Tenant shall pay for such expenses when it pays its monthly Additional Rent payment as set forth in Section 4.1, above (as part of Landlord's operating expenses in Section 4.1). Landlord shall have the right to enter the Premises at all reasonable hours to inspect, maintain and improve the Premises provided the activities do not interfere with Tenant's business activities within the Premises, and other than in an emergency, Landlord provides reasonable prior notice of any entry into the Premises.

7. **Reaffirmation of Terms.** Except as expressly modified hereby, all of the terms, covenants and provisions of the Lease are hereby confirmed and ratified and shall remain unchanged and in full force and effect.

8. **Representations.** Tenant hereby represents and warrants to Landlord that: (i) Tenant is not in default of any of its obligations under the Lease and that such Lease is valid, binding and enforceable in accordance with its terms, (ii) Tenant has full power and authority to execute and perform this Second Amendment, and (iii) Tenant has taken all action necessary to authorize the execution and performance of this Second Amendment.

9. **Counterpart Copies.** This First Amendment may be executed in two or more counterpart copies, each of which shall be deemed to be an original and all of which counterparts shall have the same force and effect as if the parties hereto had executed a single copy of this Second Amendment.

[Signatures Appear on the Following Page]

IN WITNESS WHEREOF, Landlord and Tenant have executed this agreement as of the day and year first above written.

TENANT:

**THE REGENTS OF THE UNIVERSITY
OF MICHIGAN**

BY: _____
Kevin Hegarty

ITS: Executive Vice President and
Chief Financial Officer

LANDLORD:

COUNTY OF LIVINGSTON

BY: _____
Wesley J. Nakagiri

ITS: County Board of Commissioners
Chairperson

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