

1.8 Utility Improvements. The Developer shall be responsible for construction and installation of any utility connections for improvements to existing utility systems for all of the Development Property including but not limited to water, sewer, storm drain mains, electric, gas, telephone or other public utility lines owned by any public utility company, that may be necessary to construct, improve and support the DHS Project and the Retail Project and shall obtain all permits required for such installation. The Developer will move the overhead wires that are located in the middle of the Development Property ("Rosenau Property") to overhead wires to be relocated on the Southside of Kean Avenue. The utilities on the Rosenau Property will be relocated underground by the Developer on the Rosenau Property to connect with the overhead wires to be relocated on the Southside of Kean Avenue. The Developer will separate sanitary and storm water on the Development Property. The storm water will be treated in an underground system and then released under a controlled release. The Developer and the City will by mutual written agreement determine where the sanitary and storm sewer lines will be connected to the City's sewer system. ***The Developer shall be in compliance with all laws, regulations and orders of the State of Michigan and the Federal Government and the ordinances of the City of Inkster, County of Wayne that are the responsibility of the Developer regarding the connection by the Developer to the storm and sanitary sewers.***

1.9 Preliminary Plans for Improvement. The Developer shall submit to the city Planning Department prior to commencement of construction, the preliminary plans, drawings, elevations and related documents for the DHS Project and the Retail Project, including the designs, exterior appearance and landscaping ("Preliminary Plans"). The Preliminary Plans shall be subject to acceptance and written approval by the Planning Department so that the construction of improvements shall be in conformity with this Agreement, and all applicable federal, state and local laws, ordinances and regulations. The final Construction Plans shall be sealed by a registered architect or engineer. The City shall approve the Construction Plans so long as the Construction Plans conform to applicable code requirements and to the terms of this Agreement.

1.10 Property Taxes. The Developer anticipates obtaining property tax exemption for the DHS Project through the Wayne County Land Bank Authority. The Developer agrees to make a payment to the City of Inkster for each year Parcel A is exempt and each full year during the term of the Lease between the Developer and the State of Michigan in the amount of \$16,000.00 per year, in lieu of property taxes being imposed on the Parcel A. The payment will be increased annually by two point five percent (2.5%) over the prior year's payment during the term of the Lease. In the event the State of Michigan purchases Parcel A from the Developer during the term of the Lease then the Developer agrees to pay the City \$16,000.00 for each year remaining in the Lease term up to a maximum amount of One Hundred Twelve Thousand Dollars (\$112,000.00). The amount to be paid by Developer will be paid over a period of 4 (four) with the first payment commencing 12 months from the date of sale to the State. The provisions as set forth under this paragraph 1.10 are included in a Memorandum regarding payments to the City of Inkster attached hereto as Exhibit D.

EXHIBIT B
Annual Escalator

2.5% Annual Escalator

Year	Amount
1	16,000.00
2	16,400.00
3	16,810.00
4	17,230.25
5	17,661.01
6	18,102.54
7	18,555.10
8	19,018.98
9	19,494.45
10	19,981.81
11	20,481.36
12	20,993.39
13	21,518.22
14	22,056.18
15	22,607.58
16	23,172.77
17	23,752.09
18	24,345.89
19	24,954.54
20	<u>25,578.40</u>
Total	\$408,714.56