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012MAC / CITY OF BLAINE TERM SHEET

Representative of the Metropolitan Airports Commission (“MAC”) and the City of Blaine (“City”) have entered into discussions relating to several issues of mutual concern to MAC and the City. Both parties understand and agree that this Term Sheet is only a summary of the discussion to date and is not a legally binding agreement. The intent of the parties is that the following terms will, if approved by the MAC Board of Commissioners and the City Council, form the basis for an agreement or agreements between the parties and that the execution and approval of those contemplated documents is subject to the approval of the MAC Board of Commissioners and City Council.

1. Crash Fire Rescue

The City will provide fire protection services at the Anoka County – Blaine Airport (“Airport”) for a period of ten (10) years ~~(provided that if the City exercises the option in paragraph 4 below, MAC may also exercise a 10-year renewal option)~~ at a cost to MAC of six thousand (\$6,000) dollars per year, plus a “per call” fee for all calls to areas of the airport not under lease to Airport tenants, at FEMA rates after two (2) hours of required response.

2. Xylite Street

The City will reconstruct Xylite Street in 2012 or 2013. MAC will agree to a one-time assessment for the Xylite Street ~~reconstruction~~ resurfacing at an amount equal to fifty (50%) percent of actual costs (excluding design and administration fees), currently estimated at sixty-six thousand (\$66,000) dollars, not-to-exceed thirty-three thousand (\$33,000) dollars. It is understood and agreed that this Xylite Street ~~reconstruction~~ resurfacing is not intended to modify any of the rights and obligations of MAC or the City as stated in the Joint Powers Agreement for Cooperation to Complete Projects on Airport Property between MAC and the City dated September 25, 2001.

3. Sewer and Water Maintenance

MAC agrees to pay the City for the cost of sewer and water maintenance on Airport commencing January 1, 2012 consistent with the Joint Powers Agreement for the Maintenance and Operation of a Sewer and Water System between MAC and the City. No additional charges shall be paid by MAC for years prior to 2012.

4. Athletic Field Property

MAC agrees to lease the Athletic Field Property currently under lease to the City for a period of ~~ten (10)~~ three (3) -years, with ~~a 10~~ two one -year renewals at the City’s and MAC’s mutual option (which option may be cancelled by either party on 60 days

advance written notice) at the rate of fifty thousand (\$50,000) dollars per year for 2012 and 2013. ~~R and ent shall increase~~ at the rate of 2% per year ~~in years 2014—2016 and 3% per year in years 2017—2021 and during the renewal period thereafter~~; provided, however, that if the Federal Aviation Administration determines that compliance with the federal policy on diversion of airport revenue requires MAC to charge additional rent, MAC shall so notify City, which may elect either to pay such additional rent or terminate the lease. No additional charges shall be paid by the City for prior years lease of the Athletic Fields.

MAC and the City agree to continue discussions regarding the long term lease or sale of the Athletic Field property, excluding the approximately 5 acre development parcel at the northeast corner of the Athletic Field complex (“Commercial Parcel”).

#### 5. Redevelopment

City agrees to cooperate with MAC in the redevelopment of Parcel 60 and the ~~development parcel at the northeast corner of the Athletic Field complex (“Commercial Parcel at the northeast corner of the Athletic Field complex”)~~. MAC will provide an Exhibit attached to this agreement which shows the location of Parcel 60.

In the event MAC receives a firm, executed and written offer for the lease of the Commercial Parcel at the northeast corner of the Athletic Field complex, MAC agrees to provide the City a 60 day Right of First Refusal to continue to lease the Commercial Parcel from MAC at an amount equal to the commercial offer. Any non-aviation development is subject to City land-use, building, fire code and zoning control. If MAC leases the Development Parcel to a commercial entity, the annual lease payment for the Athletic Field Property will be reduced proportionate to the reduction in square footage (estimated at 10%).

#### 6. Outdoor Advertising

MAC and City agree to discuss the placement of one or more outdoor advertising structures on Airport property.