

MECHANICAL SYSTEM UPGRADE AGREEMENT
MINT MUSEUM UPTOWN

THIS MECHANICAL SYSTEM UPGRADE AGREEMENT ("Agreement") is made and entered into as of the 1st day of __June __, 2017 (the "Effective Date") by and between the City of Charlotte, a North Carolina municipal corporation, (Landlord) and the Mint Museum of Art, a North Carolina nonprofit corporation (Tenant).

WHEREAS, Landlord leases to Tenant, by that Lease Agreement dated September, 2006, the "Premises", more particularly described in the Lease, being located on Tryon Street in Charlotte and known as the Mint Museum; and

WHEREAS, Landlord and Tenant have discussed undertaking certain mechanical system improvements at the Premises, consisting of the construction of a new humidification system (the "Work"); and

WHEREAS, the parties expect that when the Work is complete, there will be a significant reduction in energy use at the Premises, resulting in lower utility expenses for Tenant, with the amount of savings estimated to be \$140,000 annually; and

WHEREAS, Landlord has had plans and specifications prepared for the Work, which plans and specifications comply with all the requirements of governmental departments and agencies having jurisdiction over the Premises, and which Tenant has reviewed and approved; and

WHEREAS, the parties have agreed on their respective responsibilities with respect to the Work and desire to set forth the terms of their agreement herein.

NOW, THEREFORE, for good and valuable consideration, consisting of the mutual covenants contained herein, the parties hereby agree as follows:

Upon the Effective Date, Landlord shall commence the Work in accordance with the plans and specifications approved by Tenant as above provided, and shall proceed to complete the Work expeditiously, safely, and in a manner which does not materially and adversely affect the Mint Museum's operation. Landlord agrees to hold Tenant harmless from liability for property damage or personal injury claims, both real and asserted, arising from or out of the Work.

The total cost for the Work is estimated to be approximately \$700,000 and the parties' financial responsibilities shall be as follows. Tenant's share shall be an amount of up to \$500,000 and Landlord's share shall be the remaining cost of the Work over the initial \$500,000. Landlord has agreed to advance the Tenant's improvements share, which will be repaid by Tenant to Landlord. Once the Work has been completed, Landlord will provide Tenant with invoices for work performed, and Tenant's repayment of the advanced Tenant's share shall commence in the form of bi-annual payments to Landlord. Landlord will also provide Tenant with actual data on the amount of utility savings at the Premises on a bi-annual basis.

Since Tenant is responsible for paying for utilities under the Lease and has been doing so, the parties expect that Tenant will be able to repay the advanced Tenant's share of the cost of the Work to

Landlord by using a portion of the utility money which will be saved after the Work is complete. Within 12 months after the completion of the Work, Tenant agrees to pay Landlord the amount of \$100,000 towards the Tenant's advanced share. Thereafter, Tenant agrees to pay that same amount (\$100,000) annually, for a total of 5 years. At its election, Tenant may make additional payments in excess of \$100,000 annually to reduce the 5 year term, until the actual amount of Tenant's advanced share has been paid in full, at which time this Agreement shall terminate.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

LANDLORD:

CITY OF CHARLOTTE

By: _____
Name: _____
Title: _____

TENANT:

MINT MUSEUM OF ART

By: Toni L. Freeman
Name: Toni L. Freeman
Title: Chief Operating Officer