



Owosso Community Airport

205 Airport Drive Phone: (989) 725-1969
Owosso, MI 48867 Fax:(989) 729-9639

Airport Board Reviewed and Approved Feb. 2012

LAND LEASE

THIS LEASE AGREEMENT is entered into this 1st day of January, A.D., Year, between the Shiawassee County Airport Board ("Lessor") of 205 Airport Drive, Owosso, Michigan, and Name ("Lessee") of Street Address and City, Michigan, Zip Code.

WITNESSETH:

WHEREAS Lessor is a governmental joint venture of local municipalities which owns and governs the Owosso Community Airport; and

NOW, THEREFORE in consideration of the mutual covenants contained herein, the Lessor and Lessee(s) agree as follows:

1. PREMISES LEASED: The Lessor hereby agrees to lease to Lessee(s) the premises described on Exhibit A, labeled as Hangar Lot # & Taxi Street #, attached hereto and incorporated herein, being part of the Owosso Community Airport located in the County of Shiawassee, and State of Michigan.

Further, Lessee(s) shall have the privilege of using for the term of this Lease, or any extensions thereof, in common with others and the public, the public flying field known as the Owosso Community Airport, subject to the charges, rules and regulations governing such field issued by the Federal and State aeronautical agencies and by the local governing authority, it being expressly understood that this privilege covers the entire period of the Lease and extensions thereof as hereinafter set forth.

2. TERM: Lessee(s) shall have and hold the demised premises for the term of Twenty (20) years beginning the 1st day of January, 20, and ending the 31st day of December, 20.

3. RENTAL RATE: Lessee(s) shall pay to Lessor the sum of cents per square foot per year. Lessee(s) is leasing square feet. Accordingly the annual rental payment is (\$) Dollars. Said rent shall be paid on the 1st day of January, each year during the term of this Lease. If during the term of this Lease Agreement, Lessee(s) shall be late in making rental payments, Lessee(s) shall pay Lessor a service charge of one (1%) percent per month of such late payments every month until said amount is paid.

For each five (5) year period hereafter during the term of this Agreement, commencing on January 1, 20____, the annual rental payment of _____ and no/100 (\$_____) Dollars shall be adjusted to the amount obtained by dividing the initial rental by the Consumers Price Index for the month , Nov., 20____ which Index was, _____ and multiplying the quotient thereof by the last Consumers Price Index figures published immediately preceding each such five (5) year Lease Period, provided, however, at no time shall said rental be less than the annual rental paid during the first five (5) year period of the Agreement.

For the purpose of this Agreement, the Consumers Price Index means the Index for "All Items" for Urban Wage Earners and Clerical Works Commodity Groups for the Detroit area as determined by the United States Department of Labor, Bureau of Statistics.

Should the United States Government revise its price index at any time, the Parties hereto will follow such suggestions as the Government may issue for making an arithmetical changeover from one index to another. Should the price index be wholly discontinued, then its successor or the most nearly comparably successor index thereto, adjusted back to March, 1988 shall be used.

4. BUILDINGS: Lessee(s) shall have the privilege of removing any and all said buildings, alterations, additions, hangars or improvements placed on the demised premises at any time prior to the expiration of the Lease term Covered by this Agreement, or any extension thereof providing that on such removal, Lessee(s) shall restore the premises to a graded and level condition and of neat appearance. However, no building, hangar or other improvements may be removed by Lessee(s) until all rents due have been paid to date and any mortgage on said building has been repaid. If the Lessee(s) does not intend to remove the aforesaid alterations, additions, hangars, buildings or improvements prior to the end of the term of this Agreement, it shall give written notice of this fact to Lessor at least sixty (60) days prior to such termination, in which case Lessor may, in its discretion, order Lessee(s) to remove any or all such alterations, additions, hangars, buildings or improvements.

The Lessee(s) further agrees that prior to the commencement of construction of hangars and buildings, or making alterations, additions or improvements on the demised premises, it shall submit plans, specifications, drawings and other information as may be required by the Lessor and shall obtain the written approval of the Lessor prior to the commencement of construction.

5. MAINTENANCE OF PREMISES: Lessee(s) agrees that it will at its own expense, during the continuance of this Lease or any extension thereof, keep the said premises and the buildings now there, or subsequently erected, with any additions or improvements to the present buildings or the buildings subsequently erected, in good repair with a neat and attractive appearance.

6. INSURANCE: Insurance against loss by fire, hail and windstorm shall be kept and maintained on all buildings, hangars and improvements located on said premises by Lessee(s) so as to be able to restore the premises to a graded level and neat appearance, in an amount to be approved by Lessor, and with an Insurance Company Licensed to sell such Insurance in the State of Michigan. In the event of loss by fire, hail or windstorm, the proceeds from such insurance shall be used by the Lessee(s) to repair or replace such loss or demolition of the buildings, hangars or improvements so damaged and restore the premises to a graded, level and neat appearance. Further, Lessee(s) shall procure, keep and maintain during the term of this Lease, or any renewal thereof, an insurance policy for property damage and public liability caused by the acts or omissions of Lessee(s), its agents, employees, licensees, and invitee. Each insurance policy shall provide coverage in amounts no less than Fifty Thousand Dollars (\$50,000) for property damage and of not less than One Million Dollars (\$1,000,000.00) for public liability. Lessee(s) agrees to add the Owosso Community Airport and the Shiawassee Airport Board, all member municipalities (the City of Owosso, City of Corunna, Caledonia Township, Owosso Township and Shiawassee County) as additional named insured. Lessor shall be furnished with copies of all insurance policies obtained by Lessee(s) in compliance with this requirement prior to the effective date of this Agreement. All policies or certificates of insurance shall contain an endorsement which states that such insurance shall not be canceled except upon ten (10) days prior written notice to Lessor. The minimum amount shall be reviewed by the parties every 10 years.

7. HOLD HARMLESS PROVISION: Lessee(s) agrees to indemnify and defend and hold Lessor harmless from any claims, suits, judgments, actions or liabilities, costs, expenses, penalties, damages and losses, including, but not limited to reasonable attorney's fees arising out of the alleged negligent, wrongful, intentional or unlawful acts or omissions of Lessee(s), its agents, licenses, invitee and employees during its use or occupancy of the premises subject to this Lease.

8. INSPECTION OF PREMISES: Lessor, or its designated representatives, shall have the right to enter upon the demised premises at all reasonable times for the purpose of inspection of any portion thereof, including hangars and buildings, to determine the safety and the state of repair of any hangars and buildings, or other portions of the demised premises, or for the purpose of making any changes or alterations required by any existing or subsequent law, if the Lessor shall determine from such inspection that repair is necessary to any portions of the demised premises or the hangars, buildings or improvements located thereon, the Lessor shall give written notice to the Lessee(s) to make such repairs forthwith and the Lessee(s) shall immediately, at his own expense, make such necessary repairs. If the Lessee(s) shall fail to commence such repairs within thirty (30) days after receipt of notice and to complete them within a reasonable time thereafter, such failure shall be considered as a material breach of this Lease and shall subject the Lessee(s) to termination at the option of the Lessor. It is expressly understood that the present condition of the facilities will not be cause for action under the above conditions.

9. COMPLIANCE WITH RULES AND REGULATIONS: The Lessee(s) shall, during the occupancy of said premises, construct hangars and building and all improvements thereto in accordance with all applicable Township and County Ordinances, Michigan Aeronautic Commission's Rules and Regulations, Federal Government regulations, regulations of the Michigan Fire Marshall and the Corunna-Caledonia Township Fire Department, and any other applicable Federal, State, County and Township laws, ordinances and regulations. It is further understood and agreed that at any time during such occupancy or the construction of said hangars or improvements thereof, and also upon the completion, said premises, hangars, buildings, and improvements shall be subject to the inspection and approval of the Michigan Fire Marshall, representatives of the Corunna-Caledonia Township Fire Department and the Michigan Aeronautics Commission, and any other representatives of interested Federal, State, County and Township governments as above specified.

The Lessee(s) agrees to comply with all laws, Local, State and Federal including the building code, pertaining to sanitation, health, police and fire protection.

10. UTILITIES: Lessee(s) shall be responsible for relocation of existing sewers, electrical lines, roof drains, drain fields, septic tanks, or any other utilities necessitated on the leased premises. It is Lessee's obligation to extend any utility from the closest source outside the leased premises; and the cost of the extension and connection of any utility to Lessee's buildings is Lessee's obligation.

11. COMPLIANCE WITH FEDERAL LAW: The Lessee(s) for itself and its employees, agents, assigns, as part of the consideration hereof, does hereby covenant and agree as a covenant running with the Agreement that:

(1) No person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities:

(2) That in the construction of any improvements upon or over such property and the furnishing of services thereon, no person, on the grounds of race, color or national origin, shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination; and

(3) That the Lessee(s) shall use the premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of Secretary, Part 21, Nondiscrimination in Federal-Assisted Programs of the Department of Transportation - Effectuation of Title VI of the Civil Rights Act of 1964, and as said regulations may be amended.

That in the event of the breach of any of the above nondiscrimination covenants, the Lessor shall have the right to terminate this Lease and repossess said land and the facilities thereof, and hold the same as if said Lease had never been made or issued.

12. COMPLIANCE WITH STATE OR FEDERAL AGREEMENTS:

(a) This Agreement shall be subordinate to the provisions of any existing or future Agreement between Lessor and the United States or State of Michigan 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 State or Federal funds for the development of the airport; provided, however, that any right, title and interest of Lessee(s) to the demised premises shall not be taken without just compensation therefore being first made.

(b) Lessee(s) hereby grants the right to Lessor to, and Lessor hereby reserves the right to subordinate this Lease at all times to any and all present and future obligations of Lessor arising from any governmental grants or loans. Lessee(s) also covenants and agrees to execute and deliver upon demand such further instrument or instruments as may be required to carry out the intent of this paragraph and hereby irrevocably appoints Lessor the attorney-in-fact of Lessee(s) to execute and deliver any such instrument or instruments for and in the name of Lessee(s). Lessor shall notify Lessee(s) in writing of any such obligations and instruments.

13. RIGHT OF WAY: Lessee(s), and their invitees shall have free use of a right of way for ingress and egress of aircraft and personal vehicles to the leased premises. The location of such right of way shall be determined and designated by Lessor.

14. CONDITIONS UPON USE OF THE PREMISES: In the exercise and carrying out of the rights, privileges, concessions, duties and obligations granted to Lessee(s) herein, and in Lessee's use of the demised premises, Lessee(s) hereby obligates himself to the following requirements and regulations:

- (a) No signs or advertising matter shall be painted, posted or placed upon any portion of the leased premises, including buildings and structures, without the written consent of the Lessor.
- (b) Lessee(s) shall not consent to any unlawful use of the leased premises, nor permit any such unlawful use thereof.
- (b) Lessee(s) agrees that flight instructors, aircraft mechanics and all other employees and subcontractors of the Lessee(s) shall have, as required, proper and effective Federal and State certificates or licenses covering their individual and particular functions.
- (d) Lessee(s) further agrees that all Federal, State and Local laws will be observed, including the rules and regulations of the Federal and State Aeronautical authorities and the local governing authority.

(e) The operation of the Lessee(s), invitees, and those doing business with it shall be conducted in an orderly and proper manner and so as not to annoy, disturb or be offensive to others at the Owosso Community Airport. The Lessor shall have the right to complain to the Lessee(s) as to the demeanor, conduct and appearance of the Lessee(s), their invitees, and those doing business with it, whereupon the Lessee(s) will take all steps necessary to remove the cause of the complaint.

(f) All rules and regulations of the State Fire Marshall shall be complied with by the Lessee(s) in the conduct of its operations of the leased premises.

(g) Lessee(s) agrees to pay all taxes, assessments, license fees or other charges levied or assessed the buildings, structures, or their contents during the term of this Lease, or any renewal thereof.

(h) The Lessee(s) shall pay for water and electric current and other utilities utilized or consumed on the leased premises.

(i) Lessee(s) agrees at all times to keep the leased premises in a neat, clean and orderly condition, free of weeds, rubbish or any unsightly accumulations of any nature whatsoever.

(j) All provision of this Lease shall be subordinate to the rights of the United States of America to lease Owosso Community Airport, or any part thereof; during the time of war or national emergency, for military or navel use, and any provisions of this agreement inconsistent with the provisions of any lease to the United States of America shall be suspended thereby.

(k) Lessee(s) shall be responsible for grounds maintenance of the leased premises, snow removal and lawn care including but not limited to the leased premises and adjacent areas up to access roads and taxiways and/or an equal share of land between the leased premises, such as to maintain a neat and attractive appearance.

(l) There shall be no tie-down of aircraft upon the leased premises.

(m) The leased premises shall not be used for any outside storage whatsoever.

(n) The leased premises shall not be used for the parking of any motor vehicle except incidental to the concurrent use of the aircraft.

(o) Lessee(s) shall only use the premises for private aviation purposes. Lessee(s) may lease space for other aircraft pursuant to policy. (Policy statement to be added)
Policy information is contained in the current Airport Rules and Regulations.

15. ENVIRONMENTAL MATTERS: Lessee(s) shall not create an environmental condition upon the real property subject to this Agreement, which, under applicable Federal and/or State law, would require remediation. Lessee(s) shall, in compliance with all applicable Federal, State, and Local laws and regulations related to air quality, water quality, waste disposal or management, hazardous or toxic substance, and the protection of health and the environment.

16. TERMINATION, CANCELLATION, FORFEITURE: The parties hereto agree that this Lease shall terminate at the expiration of the term herein specified, or 90 days after termination of facility as a public airport. Further, that upon the breach of any of the terms and conditions herein, this Lease shall be deemed forfeited by Lessee(s) and canceled by Lessor, unless within (30) days of the giving of written notice of such breach, Lessee(s) cures the breach. Lessor and Lessee(s) may, by written agreement, exceed the thirty(30) day grace period for curing the breach. Upon such cancellation, termination or forfeiture, Lessee(s) shall peaceably give up to the Lessor the leased premises in as good condition as at the beginning of the term hereof, reasonable use and wear thereof and damage by the elements excepted. Lessee(s) may sell such buildings and/or hangars and Lessee's personal property provided proposed purchaser is able to negotiate a lease with the Lessor and further provided Lessee(s) is not liable to Lessor for lease costs or obligations. Disposition of hangar, buildings, improvements, additions or other construction made thereof by Lessee(s) shall be removed by the Lessee(s) within 90 days of the termination of this Lease, or 90 days upon breach of any of the terms or conditions of this Lease for which a forfeiture has been exercised by Lessor. Should the Lessee(s) fail to remove said buildings, improvements or additions shall be considered abandoned and shall become the property of the Lessor.

17. BANKRUPTCY: Neither this Lease nor any interest therein nor any estate thereby created shall pass to any trustee or receiver or assignee for the benefit of creditors or otherwise by operation of law.

It is expressly agreed by the parties hereto that upon the occurrence of the filing by Lessee(s) or against Lessee(s) in any court pursuant to any Federal or State statute of a petition in bankruptcy or insolvency, or for reorganization or rearrangement or for the appointment of a receiver or trustee of all or a portion of the Lessee's property for the benefit of creditors, Lessor shall have and shall be entitled to all rights and elections as enumerated in this Lease, including the right to declare the above action a default of this Lease, including the right to declare the above action a default of this Lease and Lessor shall have the right to terminate this Lease at any time after such default.

18. ABANDONMENT: Abandonment of the leased premises, or vacation or desertion of said premises for a period of thirty (30) days shall be deemed a default of this Lease and it shall be lawful for Lessor, its attorney or representative to re-enter into, repossess the premises, and the Lessee(s) and each and every other occupant, if any, to remove and put out.

19. SUBORDINATION: Lessee(s) hereby grants the right to Lessor to, and Lessor hereby reserves the right to, sublet and subordinate this Lease at all times to any and all present and future ground or underlying Leases, leasehold mortgages, mortgage, and building loan mortgages, and contracts affecting Lessor's interest in the leased premises and on the land and buildings of which the leased premises are a part or upon any buildings hereafter placed upon the land of which the leased premises form a part. Lessee(s) also covenants and agrees to execute and deliver upon demand such further instrument or instruments as may be required to carry out the intent of this paragraph and hereby irrevocably appoints Lessor the attorney-in-fact of Lessee(s) to execute and deliver any such instrument or instruments for and in the name of Lessee.

20. ASSIGNMENT OF INTEREST: It is agreed that lessee(s) shall not assign or transfer its rights, concession or leasehold interest granted under the terms of this agreement, including the hangars or improvements on the demised premises, without the written consent and approval of lessor. Such consent will not be unreasonably withheld. Any denial of consent shall be for good cause only. It is agreed that lessee(s) may request termination of the remainder of this lease to be replaced by a new lease under the standard lease terms offered by the lessor at that time.

21. NON-LIMITATION: Nothing in this lease limits the right of the lessor to further develop the airport and to lease the same for any lawful purpose or to provide or discontinue services it deems necessary or desirable in its sole and absolute discretion, regardless of the desires of the lessee. If such developments result in a loss of right of way (section 13) for greater than 15 days continuously, lessee(s) shall be entitled to a refund of payments made for the duration of the loss.

22. LIENS: The lessee(s) shall protect and indemnify the lessor against liens of every kind or character which may be levied for labor performed or materials furnished in connection with construction, maintenance or improvements performed on the leased premises by the lessee.

23. HOLDOVER: Any holdover beyond the termination date set forth above shall be on a year-to-year basis. In the event of holdover, the rent and other terms of this lease shall be as set forth herein.

24. RENEGOTIATION: Lessor hereby agrees upon the expiration of this lease, that if the demised property is to continue to be utilized for private hangaring of aircraft, to allow lessee(s) to enter into a new lease under the standard lease terms being offered by the lessor at that time.

If lessee(s) has given lessor cause for action under section 16 herein more than 3 times during the term of this contract, lessor shall not be obligated to renegotiate this contract. Nothing in this lease shall obligate lessor to continue to use the demised property for hangaring of private aircraft.

25. MODIFICATIONS: Modifications of this lease agreement shall only be made by the written mutual consent of the parties hereto.

26. SEVERABILITY: If any provision of this lease is held invalid, the remainder of this lease shall not be affected thereby.

27. NOTICES: all notices provided for in this lease agreement shall be effective upon actual receipt, or upon the third business day after mailings; whichever is earlier. All notices shall be provided to the following address for each party, unless a written change of address is provided to the other party and made an addendum to this lease agreement.

28. CONTACT INFORMATION:

LESSOR: 205 Airport Drive, Owosso, Michigan 48867

LESSEE: Name , Street Address and City , State , Zip Code
 Phone Number & E-Mail Address .

29. ATTACHMENTS: Attachment A (DESCRIPTION OF PREMISES) and contract requirements are made a part hereof.

In witness whereof, the parties hereto have executed this instrument on the day and year first above written.

WITNESS:

CHAIRMAN of the SHIAWASSEE AIRPORT BOARD

WITNESS:

SECRETARY of the SHIAWASSEE AIRPORT BOARD

WITNESS:

LESSEE

WITNESS:

LESSEE