



Owosso Community Airport

Phone 989-725-1969
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205 Airport Drive
Owosso, Michigan 48867

MAINTENANCE HANGAR LEASE Board Reviewed and Approved Feb. 2012

THIS LEASE AGREEMENT is entered into this 1st day of March, A.D., 2008, between the Shiawassee County Airport Board ("Lessor") of 205 Airport Drive, Owosso, Michigan, and Name ("Lessee") of address .

WITNESSETH:

WHEREAS, the Shiawassee Airport Board is the operator of the Owosso Community Airport, hereinafter the "Airport," located in the Township of Caledonia, County of Shiawassee, Michigan;

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

1) The Lessee may keep and store the following aircraft in Hangar unit described as the Maintenance Hangar, being part of the Owosso Community Airport located in the County of Shiawassee, and State of Michigan, hereinafter referred to as the "Leased Premises," on the condition: A) that the aircraft is airworthy and certified as such under applicable F.A.A. Regulations; and B) complies with the licensing requirements of the Michigan Department of Transportation – Bureau of Aeronautics:

Plane No. _____ Make: _____ Color: _____ Type: _____

Seating Capacity: ___ Registered Owner: _____

Address: _____

Telephone Number Home: (____) _____ Office: (____) _____

Name of Insurance Company: _____

Address: _____

Type of Insurance Carried: _____

Limits of Liability (1 occurrence) \$ _____

(Insurance endorsements must be attached to this Lease)

THE LESSEE CERTIFIES THAT THE ABOVE INFORMATION IS ACCURATE AND THAT HANGAR DESCRIBED AS THE MAINTENANCE HANGAR, BEING PART OF THE OWOSSO COMMUNITY AIRPORT, SHALL BE USED SOLELY FOR THE PURPOSE OF STORAGE OF THE ABOVE DESCRIBED AIRCRAFT, AND FOR NO OTHER PURPOSE.

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 One year beginning the 1st day of March 2008 and ending the 28th day of February 2009.

3. RENTAL RATE: Lessee(s) shall pay to Lessor the sum of \$1500.00 annually, in monthly payments of \$125.00. Said rent shall be paid on or before the 1st day of each month during the term of this Lease. All payments shall be made at the office of the Airport Manager without the requirement of a demand therefore.

4. LATE CHARGE: In the event said rental fee is not paid on or before the tenth (10th) day of the month, the Airport shall assess and the Lessee agrees to pay a late charge in the amount of one percent (1%) of the unpaid balance, and further agrees to pay an additional one percent (1%) each month thereafter on any remaining unpaid balance.

5. SECURITY DEPOSIT: lessee shall, at the time of execution of this Agreement, deposit with the Airport, as security for the faithful performance of its obligation under this Agreement, a sum of \$125.00. The Airport shall return said deposit to the Lessee within thirty (30) days after the expiration of this Lease, less any sums, which are due and owing to the Airport by the Lessee. The Airport will pay no interest on any sums deposited as a security deposit.

6. CONFORMITY WITH LAWS, ORDINANCES, RULES AND REGULATIONS: The right to use and occupy the Leased Premises shall be exercised in conformity with applicable Local, State and Federal Laws, ordinances, regulations, and policies including those relating to environmental protection. In addition, Lessee shall abide by and be subject to all Airport rules and regulations which are now in effect, or may from time to time be formulated by the Airport concerning the management, operation, or use of the Airport.

Whenever any applicable law, ordinance, regulation or policy relating to environmental protection requires that Lessee to notify, make a report, or submit any documents to a governmental agency, the Lessee shall comply therewith and shall promptly notify the Airport and provide the Airport with copies of the notices, reports or documents submitted to the governmental agency. The Lessee shall promptly provide the Airport with copies of all correspondence, reports, notices, and other documents received from any governmental unit in

connection with the enforcement of environmental protection laws. 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.

A) COMPLIANCE WITH HANGAR RULES:

- a. That the above described Hangar space shall be for the exclusive use of aircraft storage. Automobiles shall not be allowed in the airfield ramp area except that providing direct access to the T-Hangars from the parking lot.
- b. That no Maintenance or repair of any kind shall be performed in the hangar on any aircraft other than the one named in this lease. Preventive maintenance, as defined in Part 43, Appendix A of the Federal Aviation Regulations (FAR's), may be performed by the owner on the named aircraft so long as it is of a type permitted by the Michigan and local Fire Code, or those governing the Owosso Community Airport. No other maintenance or repair shall be allowed. No material shall be stored in the hangar unless allowed under the Fire Code. No gas, oil, paint, solvents, or other flammable will, under any circumstances, be brought into or stored in the hangar except that contained in the aircraft fuel tanks.
- c. That all doors to said hangar are to be closed and locked at all times except during removal or replacement of aircraft.
- d. The Airport will provide the Lessee with one (1) key for the lock on the hangar door. The Lessee and Lessor will have access to said hangar.
- e. The Lessor reserves the right to further develop or improve the landing area and/or parking area of the airport as it sees fit, regardless of the desires or views of Lessee, and without interference or hindrance.
- f. The use of any type of heating devices used in the hangar, must be approved by the Airport, in writing, prior to its use, whether it is for heating the hangar space or for the purpose of warming an aircraft.
- g. The use of electrical devices that require continuous electrical supply is strictly prohibited, without prior written permission from the Airport.
- h. No signs or advertising matter shall be painted, posted or placed upon any portion of the leased premises, including buildings and structures.
- i. Stored aircraft will have a drip pan, supplied by Lessee, placed under it.
- j. Lessee shall only use the premises for private aviation purposes.
- k. Lessee is responsible for the cost of repairs to the Leased hangar that is not considered "ordinary wear and tear".
- l. Airport Manager shall have the right to take all steps necessary to enforce the above provisions.

B) 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.

C) 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.

7. ACCEPTANCE OF PREMISES: Lessee warrants it has inspected the Leased Premises and accepts possession of the Leased Premises and the improvements thereon "as is" in its present condition.

8. ACCEPTANCE OF THE AIRPORT'S EMPLOYEES: Lessee agrees to hold the Airport harmless from any liability whatsoever arising out of the actions of the Airport's employees while its aircraft is in the hands of said employees at the request of and as agent of the Lessee, owner and /or its representative. The Airport shall be responsible for those acts of its employees necessary for the maintenance of the Leased Premises.

9. RIGHT OF ENTRY: The Airport shall have the right to enter said premises at any time for inspection or to make repairs, additions, or alterations as may be necessary for the safety, improvement, or preservation of the hangar building. The Lessee acknowledges that in an emergency situation, the Airport or its agents, may enter said hangar and remove said aircraft, and in the event of such entry, Lessee agrees to hold the Airport harmless for any damage that may result to Lessee's aircraft or other possessions in the hangar.

10. KEYS: The Lessee agrees to keep a copy of any keys or combinations required to gain entry to the Hangar at the Airport's offices.

11. ALTERATIONS, ADDITIONS, AND REPAIRS: The Lessee shall not make any additions, alterations or repairs to its hangar or its components without prior approval, in writing, from the Airport Manager. Any additions or improvements made shall become the property of the Airport upon termination of this Agreement.

12. TRANSFER, ASSIGNMENT, AND SUBLETTING: It is expressly agreed and understood that the Lessee shall not assign any portion of this Agreement or sublet any portion of the Leased Premises nor permit any transfer by operation of law of Lessee's interest created hereby, it being the intention of the Airport to grant this Lease individually to the Lessee. In the event the Lessee sells or leases the aircraft described in Section 1 of this Agreement, this Agreement shall immediately terminate at the option of the Lessor. The new owner or lessee may apply to the Authority for a new Lease for T-hangar space.

13. CONFLICT OF INTEREST: The Lessee covenants and agrees that, upon the signing of this Agreement, or within five (5) days after the acquisition of any interest herein described during the term of this Agreement, the Lessee shall disclose, in writing, to the Airport whether any Board member or Officer or employee of the Airport has or hereafter acquires any direct, indirect, legal or beneficial interest in the Lessee or in any contract, lease or agreement between the Airport and the Lessee, or in any franchise, concession, right or privilege of any franchise, concession, right or privilege of any nature herein or otherwise granted by the Airport to the Lessee.

14. INDEMNIFICATION: The Lessee agrees to indemnify, defend, save and hold harmless the Airport, its officers, management, agents, and employees, from any and all claims, liabilities, damages, losses, and expenses, including costs of lawsuits and attorney fees, which any or all of them may hereafter incur, be responsible for or pay out as a result of bodily injury (including death) to any person or damage to any property, arising, in whole or in part, from any acts or omissions of the Lessee, its agents, guests, invites, employees, or contractors, in connection with the Lessee's use of the Leased Premises or its operations at the Airport.

Upon the filing with the Airport of a claim for damages arising out of incidents for which the Lessee herein agrees to indemnify, defend, save and hold harmless the Airport, the Airport shall notify the Lessee of such claim. Any final judgment rendered against the Airport for any cause for which the Lessee is liable hereunder shall be conclusive against the Lessee as to liability and amount, provided the Airport has notified the Lessee of such claim as provided above.

15. INSURANCE: The Lessee shall, at its own expense, procure and maintain in full force and effect during the term of this Agreement, and Owners, Landlords and Tenants general liability insurance policy with liability limits of not less than Five Hundred Thousand Dollars (\$500,000.00) for bodily injury, including death, and property damage in one (1) occurrence. Said policy of insurance shall provide for premises 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 policies shall be written by reputable companies authorized to write such insurance in the State of Michigan, rated no less than B+9 by A.M. Best, and satisfactory to the Airport. Policies shall provide that thirty (30) days written notice be given to the Airport before a policy is canceled, materially changed or not renewed. The usual words in the cancellation clause of the insurance certificate which state "endeavor to," and failure to mail such notice shall impose no obligation or liability of any kind upon the company," shall be stricken. Certificates of Insurance and copies of Policies of Insurance shall be delivered to the Airport Management.

The Lessee shall not violate the terms or prohibitions of insurance policies required to be furnished by the Lessee. The Lessee shall promptly notify the Airport Manager of any claim or loss under such insurance policies and certify that proper notice has been given to the appropriate insurance carrier.

16. HOLDING OVER BY LESSEE: In the event that the Lessee shall remain beyond the term herein set forth, it is the intention of the parties and is hereby agreed that a tenancy from Month-to-month shall then arise subject to all the provisions and conditions of this Agreement except that the Airport shall have the right to determine the rent and fees for such a holding over.

17. TERMINATION OF LEASE AGREEMENT: This Agreement shall terminate at the end of the term provided herein, and the Lessee shall have no further right or interest in this Lease Agreement or in the designated premises. Default in the payment of any of the rents or fees reserved herein to the Airport shall give the Airport the right to terminate this agreement and such termination shall be effective seven (7) days after written notice to the Lessee, unless within said time the Lessee has paid the amounts due under this Agreement.

The Airport shall have the right to terminate this Agreement for a violation of any other condition or provision of the Agreement and such termination shall be effective seven (7) days after written notice to the Lessee, unless within said time the Lessee has remedied such violation.

The Airport shall have the right to terminate this Agreement in the event the Lessee abandons the premises.

Upon termination or expiration of this Lease, the Lessee shall peacefully surrender and vacate the Leased Premises in as good condition as when taken, ordinary wear and tear excepted. In such instance, the Lessee shall immediately remove its airplane and other personal property from the Hangar. In the event the Lessee fails to remove its property, the Airport may do so and store it at the sole expense of the Lessee.

The Airport shall have the right to terminate this Agreement should the Airport development necessitate that action. The Airport is under no obligation to relocate the Lessee to an area similar to that occupied at the time of relocation and /or to negotiate another Lease Agreement to occupy the new area.

18. TERMINATION OF LEASE AGREEMENT BY LESSEE: Lessee may terminate this Lease Agreement upon thirty (30) days written notice to the Airport upon completion of the first years Lease Agreement.

19. GRANT OF LIEN: Lessee hereby give and grants to the Airport a lien upon all fixtures, chattels and personal property of every kind and description now or hereafter to be placed, installed or stored by the Lessee at the Airport. Lessee further agrees that in addition to any other remedies provided by law, that in the event of any failure on the part of Lessee to comply with any of the covenants or obligations hereof, which is not cured within seven (7) days following written notice to the Lessee, the Airport may take possession of such property and may sell the same in any manner provided by law and may credit the net proceeds upon any indebtedness due or damage sustained by the Airport.

20. CUMULATIVE REMEDIES: Each of the rights and remedies provided by this Lease shall be cumulative and shall not be exclusive of any other rights or remedies provided by this Lease or allowed by law. The exercise by the Airport or the Lessee of its right to terminate this Lease shall not operate to deprive the Airport or the Lessee of its right to seek damages or other relief for the violation by the other party of any of the terms or conditions of this Lease.

21. SUBORDINATION TO AGREEMENTS/ACTIONS OF GOVERNMENTAL AUTHORITIES: This Lease shall be non-exclusive and subordinate to the provisions of the Joint Operating Agreement between the Cities of Owosso and Corunna, the Townships of Caledonia and Owosso, the County of Shiawassee and the Shiawassee Airport Board and the United States, 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 Federal funds for the operation, maintenance or development of the Airport . It is mutually understood that should the operation of the Airport by the Shiawassee Airport Board be restricted substantially by the action of the Federal or State governments, or any agency or political subdivision thereof, so as to affect in substantial measure Lessee's use of the Leased Premises, the Lessee shall have the right, on thirty (30) days written notice, to suspension of this Agreement and an abatement of just proportion of the payments to become due hereunder, or both, until such time as such restrictions shall have been lifted and normal operations restored.

During the time of war or national emergency, the Airport shall have the right to lease any part of the Airport to the United States Government for military use, and, if such Lease is executed, the provisions of this instrument insofar as they are inconsistent with the provisions of the Lease to the government, shall be suspended.

22. WAIVERS: No waiver by the Airport of the default by the Lessee in the performance of any of the terms or conditions of this Agreement shall be construed to be or act as a waiver of any subsequent default by the Lessee in the performance of any of the terms or conditions of this Agreement. The continued performance by the Airport of all or part of this Agreement or the acceptance of rents or fees after a default by the Lessee in the performance of any of the terms or conditions of this Agreement shall both be deemed a waiver of any right on the part of the Airport to terminate this Agreement for such defaults, other than a default in the payment of the rents or fees which were subsequently accepted by the Airport, or to pursue any other remedy permitted by law. Any waiver of any of the terms or conditions of this Agreement shall be in writing and signed by both parties.

23. SEVERABILITY: In the event any covenant, condition, or provision contained in this Lease is held to be invalid by any court of competent jurisdiction, the invalidity of any such covenant, condition or provision shall in no way effect any other covenants, conditions or provisions contained in this Lease; provided that the validity of such covenant, condition or provision does not materially prejudice either the Airport or Lessee in its respective rights and obligations contained in the valid covenants, conditions or provisions of this Lease.

24. LAW AND VENUE: This Lease is performable and enforceable in the State of Michigan, County of Shiawassee, and shall be construed in accordance with the laws of the State of Michigan. Any litigation filed claiming a right under this Lease, shall be filed either in a State court in the County of Shiawassee, or a Federal court in the Eastern District of Michigan.

25. ENTIRE AGREEMENT: The parties hereto agree that this Lease forms the entire and whole Agreement between them, and that all agreements included are conditional limitations and not mere covenants.

This Lease may not be modified, discharged, or extended except by written instrument duly executed by the Airport and the Lessee. The parties agree that no representations or warranties shall be binding upon the Airport or the lessee unless expressed in writing in this Agreement.

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.

26. HOLD HARMLESS: Lessee further covenant and agrees that he will not hold the Airport or any of its agents, employees, responsible for any loss occasioned by fire, theft, rain, windstorm, hail, or from any other cause whatsoever, whether said cause be the direct, indirect or merely a contributing factor in producing the loss to any airplane, automobile, personal property, parts or surplus that may be located or stored in the hangars, T-hangars, offices, aprons, field, or any other location at the Airport; and Lessee agrees that the plane(s), and its contents are to be stored whether on the field or in the hangar at Lessee's risk

27. RECEIPT OF COPY BY LESSEE: The Lessee hereby acknowledges receipt of a true copy of this Agreement.

LESSOR: 205 Airport Drive, Owosso, Michigan 48867

LESSEE: _____

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

WITNESS:

SECRETARY of the SHIAWASSEE AIRPORT BOARD

WITNESS:

LESSEE