

**FREMONT MUNICIPAL AIRPORT
PRIVATE USE LEASE**

THIS LEASE, made and entered into this ____ day of _____, _____, between the **CITY OF FREMONT**, a Michigan municipal corporation, of 101 East Main, Fremont, Michigan 49412, hereinafter referred to as "**Lessor**" and _____, of _____, hereinafter referred to as "**Lessee**".

WITNESSETH

1. Lessor, in consideration of the rents and covenants herein specified, does hereby let and lease to Lessee:
 - A. Land within the S ½ of Section 9 of the Township of Sheridan, being within the boundaries of the Fremont Municipal Airport, hereinafter referred to as "Airport." Said leased land being more particularly described as Lot # ____ of the Fremont Municipal Airport Airpark. See Attachment "A" for the specific lot layout and dimensions of the Airpark.
 - B. In common with other tenants, or users, the right to that portion of the Airport landing field and public appurtenances, including runways, landing strips, aprons, taxiways, access and parking areas, hangars, navigational aids and public airport facilities and improvements of a public nature, which are now or shall hereafter be connected with of appurtenant to the Airport, subject to such terms as shall from time to time be established rules and regulations or those issued by the Federal Aviation Administration ("FAA") and the Michigan Bureau of Aeronautics.
 - C. For the term commencing on _____, _____ and ending on _____, _____ pursuant to all presently applicable governmental rules and regulations (including but not limited to Federal, State, City of Fremont and Sheridan Charter Township's rules and regulations) or such rules and regulations shall be amended in the future, reserving to Lessor the following rights without the consent of or interference by Lessee:
 - i. To alter, repair, maintain or improve the landing area and all public buildings and facilities of the Airport and appurtenances thereto.
 - ii. To protect by any lawful means the aerial approaches to the Airport and to prevent Lessee from erecting any structure or from carrying on or permitting any activity which in the opinion of the Lessor, would limit the usefulness of the Airport or constitute a hazard or interference with the landing, taking off or maneuvering of aircraft.
 - iii. During the time of war or national emergency to suspend this Lease and to lease the Airport or any facility or part thereof to the United States for military or naval use.
2. Lessee does hereby hire the premises for the above mentioned term and covenants to pay to Lessor rent for premises in the amount and manner described by the following paragraphs:

- A. The rent for the first sixty- (60) month period of this agreement, being _____, 2001 through _____, 2006, shall be \$ 0.18/ sq. ft. per year. Rental payments shall be paid in advance in the amount of one thousand, one hundred and fifty-two dollars (\$1,152) on the first day of each year of the sixty- (60) month period, with the first payment due upon Lease signing.
- B. For each sixty- (60) month period thereafter during the term of this agreement, a rate will be negotiated mutually by Lessor and Lessee. However, Lessor agrees that any proposed increase shall not exceed the increase in the Consumers Price Index for Grand Rapids, Michigan, occurring since the date of establishing the rent for the first sixty- (60) month period. At no time, however, shall the rent for each sixty- (60) month period be less than the rent payable for the initial sixty- (60) month period. Notice in writing of intention to renegotiate the rental payments shall be given by Lessor to Lessee personally or by certified mail sixty (60) days prior to the end of the first sixty- (60) month period. Existing rent and payment terms shall continue in effect until negotiation of the new rent amount is completed. For the purpose of this Lease, the Consumers Price Index means the Index for All Items for Urban Wage Earners and Clerical Workers Commodity Groups for the Grand Rapids, Michigan area as determined by the United States Department of Labor, Bureau of Statistics.
- C. All rent shall be payable to the City of Fremont and delivered to the Airport Manager at the Fremont Municipal Airport.
3. Should any rent be due and unpaid, or if default be made in any of the covenants herein contained and if said payment is not made or such default shall continue for thirty (30) days after written notice to Lessee, or in the event of the insolvency of or the institution of bankruptcy proceedings by or against Lessee or the appointment of a receiver or a trustee of Lessee's property, Lessor, in addition to any other remedy provided by law, may re-enter into and repossess the Premises, and remove the Lessee and every other occupant and may re-let the Premises or any part thereof for any term, either shorter, longer or the same, at a higher, lower or the same rental, making such alterations as may be necessary, without working a termination of this Lease; provided however, that Lessor at its option, may in any such event terminate this Lease effective on the date specified in written notice from Lessor to Lessee. If the Lessor shall, on any such default by the Lessee, obtain possession of the premises by re-entry, summary proceeding or otherwise, the Lessee shall pay to Lessor all expenses incurred in obtaining possession of the Premises, all expenses and commissions which may be paid in and about the letting of the same, and all other damages resulting from Lessee's default. No termination of this Lease pursuant to this paragraph or repossession of the Premises shall relieve Lessee of its liabilities and obligations under this Lease, all of which shall survive any such termination or repossession and, if the Premises shall not have been re-let, Lessee shall pay to Lessor as and for liquidated and agreed current damages the then present value of the rent and other sums and charges to be paid by Lessee until what would have been the end of the terms in the absence of such termination or repossession. If the Premises shall have been re-let, Lessee shall pay Lessor, as and for liquidated and agreed current damages for Lessee's default, the present value of the equivalent of the amount of rent and such other sums and charges as would be payable under this Lease by Lessee if this Lease were still in effect, less the present value of the net proceeds, in any, of the re-letting effected pursuant to the provisions hereof, after deducting all of Lessor's expenses in connection with such re-

letting, including, without limitation, all repossession costs, brokerage and management commissions, operating expenses, legal expenses, reasonable attorney fees, alteration, alteration costs and expenses of preparation of such re-letting. Exercise of any remedy hereunder by Lessor shall not exclude the right to exercise any other remedy hereunder. The Lessor's rights, remedies and benefits shall be cumulative.

4. In the event of the insolvency of or the institution of bankruptcy proceedings by or against Lessee or the appointment of a receiver or a trustee of its property, or the devolution upon any person by operation of law of his occupancy, this agreement thereupon shall at the option of the Lessor, be at an end and void and Lessor may re-enter and repossess said premises.
5. Lessee shall keep and obey all policy and sanitary regulations imposed by any State or Municipal authority, observe all regulations imposed by any underwriter as a basis of the insurance, and shall not permit any inflammable or combustible matter to accumulate upon the premises.
6. Lessee shall keep and obey all rules and regulations of the Michigan Aeronautics Commission, all Airport Regulations of the Federal Aviation Administration, and all Local Rules of the Fremont Municipal Airport, currently in effect and as may be amended from time to time, and shall obtain from the proper authorities and keep in effect all required licenses.
7. No signs, posters or similar devices shall be erected, displayed or maintained in view of the general public in, on or above the premises, without the prior written approval of the Lessor and in abidance with local ordinances, and any not so approved shall be removed by the Lessor at the expense of the Lessee.
8. Lessee shall pay for water, gas, sewer, electric, telephone and other utilities used or consumed on the leased premises. Lessee shall pay a one-time hook-up fee of nine thousand, one hundred and eighty dollars (\$9,180) per leased lot upon execution of this Lease. Said hook-up fee shall be considered a pro-rated share of the cost to the City of Fremont for the installation of utilities and other infrastructure to service the Airport.
9. The Lessee shall pay when due all taxes or special assessments hereinafter legally levied by any governmental agency against the improvements made on lands covered by this Lease, including buildings or personal property of the Lessee and Lessee agrees, if requested by Lessor, to execute any petition or other document requested to include said premises in any special assessment district for the extension of the sewer or water to service the premises. The non-payment of any such taxes or special assessments by the Lessee for ninety (90) days after any amortized payment shall become due and payable shall be grounds for cancellation of this Lease by Lessor.
10. The Lessor hereby agrees that the Lessee may place a mortgage upon the buildings located on the premises for the purpose of securing a loan or loans, provided the Lessee shall notify the Lessor, in writing of the name and address of the Mortgagee and of the terms of the mortgage, prior to the placement thereof and, provided further that any such mortgage is subordinate to and subject to all terms and conditions of the Lease served on the Lessee by the Lessor shall also be served upon the Mortgagee, and said Mortgagee shall have a like opportunity to cure such default as the Lessee may have.

The Lessee's subordination of its interest is conditional upon the express restriction that any party assuming the mortgage shall be obligated to perform and be bound by all terms and conditions of the Lease Agreement. In the event of Lessee defaulting on any mortgage granted pursuant to the subordination agreement, any new tenant assuming the mortgage and/or leasing any buildings, improvements, chattels or fixtures placed upon the leased premises while said buildings, improvements, chattels or fixtures remain on said leased premises must meet all eligibility requirements for rental of Lessor property as established by the Lessor, the Federal Aviation Administration and the Michigan Department of Aeronautics Commission and prior written approval by the Lessor of such new tenant shall be required.

Such subordination is also conditioned upon the express restrictions that the Mortgagee, or Tenant thereof, shall be obligated to perform and be bound by all terms and conditions of this Lease Agreement during such periods as the Mortgagee shall be in, or entitled to, possession of said premises due to default by Lessee or any subsequent Mortgagor in this mortgage.

11. Lessee shall install and maintain on all buildings now or hereafter erected on the premises such proper obstacle lights as may be required by the Lessor or other appropriate authority. Lessee shall, at Lessee's expense, during the term of this Lease or any extension thereof, keep the premises and all buildings presently existing thereon or subsequently erected, with any additions or improvements thereto, in good repair and of neat and attractive appearance. Lessee shall maintain the grounds to the surveyed lot lines including regular mowing of the grass to provide a lawn-like appearance and provide snow removal for taxiways, ramps and sidewalks which exclusively serve Lessee's hangar. Lessee shall remove all refuse, garbage and papers from the premises and shall keep the premises and grounds in a clean, safe and sanitary condition at all times.
12. It is hereby specifically understood and agreed that nothing herein contained shall be construed to grant to authorize the granting of an exclusive right to Lessee to provide aeronautical services to the public as prohibited by Section 308 (a) of the Federal Aviation Act of 1958, as amended, and the Lessor reserves the right to grant to others the privilege and right of conducting any one or all activities of an aeronautical nature.
13. This Lease shall be non-exclusive and subordinate to the provisions of any existing or future agreement between the Lessor and the United States, relative to the development, improvement, 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 development of the airport.
14. The Lessor reserves the right to further develop or improve the landing area of the Airport as it sees fit, regardless of the desires or views of the Lessee, and without interference or hindrance on the part of the Lessee.
15. The Lessor reserves the right to take any action it considers necessary to protect the aerial approaches of the Airport against obstruction, together with the right to prevent the Lessee from erecting or permitting to be erected, any building or other structure on the Premises which, in the opinion of the Lessor, would limit the usefulness of the Airport or constitute a hazard to aircraft.

16. Lessee shall not prevent or interfere with any person, firm or corporation operating aircraft on the Airport from providing any services on its own aircraft including but not limited to, maintenance and repair that it may choose to perform.
17. All facilities of the Airport usable for the landing and taking off of aircraft shall be made available by Lessee to the United State at all times, without charge, for use by military and naval aircraft in common with other aircraft; and this Lease shall be subordinate to any existing or future agreement between Lessor and the United States relative to the operation and maintenance of the Airport.
18. In the event it shall be necessary for Lessor to give notice of any kind to Lessee, the same shall be given and shall be complete by sending such notice to Lessee by register mail addressed to it at _____, or by serving the same on any officer of Lessee, or by posting a copy thereof at the entrance to the premises.
19. In the event the premises or any improvements thereon are damaged or destroyed by fire or other casualty, the Lessee shall repair said improvements within a reasonable period of time not to exceed one hundred twenty (120) days, and the rent shall abate for that period in proportion to the extent that the premises or any improvements thereon are damaged or destroyed. In the event the buildings located on premises are totally destroyed and, in the opinion of the Lessee, damage to such an extent as to render it impracticable to rebuild or restore the same; or because of any rule or regulations of any governmental authority, the same cannot be rebuilt or restored; then either party hereto shall be privileged to cancel this Lease and in the event of such cancellation, the accrued rent upon to the time of such damage is to be paid by the Lessee. The decision of total destruction must be reached by the Lessee within thirty (30) days after the occurrence of the damage, and, in the event that the premises are determined to be totally destroyed, the Lessee must complete removal of all remaining debris within thirty (30) days after said decision is reached.
20. Lessee shall provide and maintain the following insurance with the Lessor as an additional named insured on the policy or policies:
 - A. A fire insurance policy with the extended coverage endorsement attached and vandalism, and malicious mischief endorsements on any buildings or structures built on the premises herein leased with an amount of insurance equal to the replacement cost of such buildings or structures.
 - B. General liability insurance in the amount of \$1,000,000.00 combined single limit for bodily injury liability and property damage liability to protect the Lessor from liability for all suits and claims for damages or injuries suffered or sustained on any part of the premises under the Lessee's control or caused or sustained by Lessee's aircraft operating from the premises.

These policies shall be issued in such companies as are acceptable to the Lessor and shall be delivered to and remain in the possession of the Lessor during the term hereof and for failure to the Lessee to obtain such insurance in the manner herein provided the Lessor, at its option, may procure the same and the premium paid therefore shall forthwith become payable to the Lessor, as an additional rent payable upon the next rental date.

21. Lessee may not assign this Lease or any part thereof or sublease the premises or any part thereof without the prior written consent of Lessor. Aircraft rental space will not be unduly withheld.
22. Lessor shall not be responsible for damage to Lessee or Lessee's property and Lessee shall not be responsible for damage to Lessor's property caused by perils covered under a standard fire insurance policy with the extended coverage endorsement attached.
23. The Lessee agrees to hold the Lessor harmless and indemnify Lessor from any claim, suit, judgment, settlement, processes, liabilities, losses, damages, penalties, costs and expenses, including attorney's fees, of any nature whatsoever arising solely out of the alleged negligence, wrongful or unlawful acts or omissions of the Lessee, its agents, licensees, invitees, sublessees and employees, during its use or occupancy of the demised premises under the terms of this Lease, or any extension thereof, except due to the intentional acts of Lessor. The promises, covenants, warranties and indemnities of this Paragraph 23 shall survive the termination of this Lease.
24. Lessee agrees that the premises shall be used exclusively for the storage of aircraft. Lessee further agrees not to use or permit the use of the premises for any other purpose including the conduct of any business activity including, but not limited to, aircraft charter service, aircraft rental, aircraft flight or ground instruction, aircraft maintenance, repair or refurbishment or aircraft sales. However, Lessee reserves the right to maintain and repair any aircraft personally owned by the Lessee.
25. The covenants, conditions, obligations and agreements made and entered into by the parties hereto are hereby declared binding upon the successor, heirs and assigns of the parties hereto.
26. Lessee agrees that, upon expiration of this Lease, the Lessor, at its discretion, has the right to negotiate a new Lease with the Lessee, the terms of which are to be defined at the time of negotiation; or, instruct the Lessee to remove the structure in its entirety within sixty (60) days and return the property to its original state; or, purchase the building from the Lessee at a price mutually agreeable to both the Lessee and Lessor. Should Lessee remain in possession of the premises after the expiration of the terms of this Lease, then this Lease and all its terms, provisions and covenants shall be continued in full force and effect as a tenancy from month to month, terminable by either party on thirty- (30) days' written notice prior to the end of any month.
27. Modifications of the Lease Agreement may be made by the written mutual consent of the parties hereto.
28. Lessor agrees that, upon expiration of this Lease, the Lessee, at its discretion, has the right to negotiate a new Lease with the Lessor, the terms of which are to be defined at the time of negotiation; or, the Lessor may instruct the Lessee to remove the structure in its entirety within sixty (60) days and return the property to its original state; or, the Lessor may purchase the building from the Lessee at a price mutually agreeable to both the Lessee and Lessor. Should Lessee remain in possession of the Premises after the expiration of the terms of this Lease, then this Lease and all its terms, provisions and covenants shall be continued in full force and effect as a tenancy from month to month, terminable by either party on thirty- (30) days' written notice prior to the end of any month.

ATTACHMENT "A"