

FACILITY LEASE AGREEMENT

This Facility Lease Agreement (the "Lease") is dated as of the last date signed by ALPENA COUNTY, ("Landlord"), a local unit of government whose address is 1617 Airport Road, Alpena Michigan 49707, and [REDACTED], ("Tenant") whose address is _____.

Commented [BSB1]: Insert tenant full legal name. Confirm that tenant is a duly formed legal entity registered at the following website.

<https://cofs.lara.state.mi.us/SearchApi/Search/Search>

In consideration of the covenants and conditions contained herein, the sufficiency of which is acknowledged by the Parties, LESSOR leases to the LESSEES the premises herein described on the terms contained herein.

1. TERM:

This agreement will commence on the _____, 202_ and continue for [REDACTED] thereafter unless terminated earlier in accordance with the provisions herein contained. If Tenant desires to extend the term of this Lease, Tenant shall notify Landlord one year in advance to allow sufficient time for negotiations. Nothing about the prior sentence constitutes an option to renew or restricts Landlord's discretion in any manner.

Commented [BSB2]: If Tenant intends to construct improvements and this is a ground lease, the baseline term is 25 years.

If Tenant is leasing an existing facility, the baseline term five years.

2. PREMISES:

Landlord operates the Alpena County Regional Airport, which is currently defined by the Federal Aviation Administration as a Part 139 Airport (the "Airport"). The LESSOR leases to the LESSEE and LESSEE takes from the LESSOR for its use as defined herein those certain premises at the Airport identified in ATTACHMENT A (the "Premises"). Additionally, LESSEES shall have the right of reasonable access over and across the Airport grounds to the premises, from the premises to the runways, fueling station, and other airport facilities, and the use of the runways themselves. Landlord may exercise its discretion to identify reasonable access routes.

Commented [BSB3]: Attachment should include both a written description of the Premises (like an address or hangar location), square footage, and an illustration.

3. RENT:

LESSEE shall pay as rent as follows: [REDACTED] ("Base Rent"). Landlord need not provide any statement, invoice, or the like. The rent payable under this lease will be increased at the annual rate of THREE PERCENT (3%) per year.

Commented [BSB4]: Fill in either the total annual rent or the monthly identified as such.

Commented [BSB5]: If an annual lease -

The rent increases three percent per year.

If monthly rent is paid -

Rent shall increase annually by 3%. Notwithstanding the effective date of the Lease, the monthly rent shall increase by 3% on October 1 of each year.

There shall be a LATE CHARGE of 10 PERCENT (10%) for rent not paid on time. In addition to all other remedies allowed by this Lease or the law, LESSOR may accelerate if Tenant is 90 days delinquent, Landlord may accelerate two years of Base Rent by issuing an acceleration notice. All past due Base Rent and any other amounts owed to Landlord plus the accelerated Base Rent shall be paid within 30 days of the issuance of the acceleration notice.

4. BUILDING:

Tenant shall erect a hangar and install all new paving at Tenant's sole expense within ONE (1) YEAR from the Effective Date. The hangar shall conform to the plans for the hangar and all new paving required for use of the hangar that were submitted to and approved by Landlord prior to the Effective Date (the "Plans"). Prior to the start of construction, the LESSEES shall demonstrate the financial ability to complete same and secure any necessary building permits. LESSEES will comply with any and all federal, state, and local laws and regulations concerning the same, including those promulgated by the Federal Aviation Administration and _____ Township. Tenant inspected the ground and area on which it intends to construct the hangar and accepts it in AS IS condition. Upon the expiration or termination of the Lease, the hangar and any other improvements affixed to the Premises shall belong to Landlord. Tenant shall not use the hangar until all paving is completed and Landlord has inspected the Premises to confirm that it was constructed in accord with the Plans and all permits are issued.

Tenant hereby accepts the Premises in AS IS condition. Tenant acknowledges that it enjoyed the right to inspect the Premises prior to the existing date and is satisfied with the condition.

Tenant acknowledges that it enjoyed the opportunity to undertake any testing (including by way of example and not limitation only soil borings and other testing relating to the stability of soils, environmental testing, well testing, etc.) that it desired prior to the Effective Date and agreeing to accept the Premises in AS IS condition.

Tenant shall be solely responsible for maintaining the Premises including by way of example and not limitation only the roofs, doors, utility, electrical, plumbing, HVAC systems (to the extent present). Tenant's maintenance obligations include all capital, structural, and routine minor maintenance. LESSEES shall maintain the hangar in a structurally sound and aesthetically pleasing finished appearance. LESSEES shall also maintain the premises in a clean and orderly condition.

LESSEES shall be responsible for the collection and disposal of all trash generated on the Premises. LESSEE(S) shall provide adequate control of rodents, insects, and other pests in its Leased Premises. In the event the LESSOR determines that LESSEE(S) rodent, insect, and pest control program is insufficient, LESSOR may, after 15-day notice, seek to control rodents, insects, and other pests by other means, with the LESSEE fully reimbursing the LESSOR for the associated expense.

Commented [BSB6]: This language is premised on Tenant having submitted plans that Landlord approved prior to the Lease being executed. If that is not the case, then language must be added addressing the parties' agreement about the process for approving plans and this sentence should be deleted.

Commented [BSB7]: If outside the airport perimeter and subject to township zoning, identify the correct township. If not, then delete this language.

Commented [BSB8]: Ground lease language - delete if not a ground lease.

Commented [BSB9]: Delete if it is a ground lease because the inspection language is included in that paragraph.

In the event the LESSEE fails to keep and maintain the Premises and improvements in good condition and repair, reasonable wear and use excepted, and in a sanitary and sightly condition for a period of thirty (30) days after written notice from LESSOR to do so, LESSOR, upon expiration of such thirty (30) day period, may, but shall not be obligated to, enter the Premises and perform the obligation of LESSEE, charging LESSEE the reasonable cost and expense thereof, and LESSEE agrees to pay LESSOR such charge in addition to any other amounts payable by LESSEE; provided, however, that if the LESSEE's failure to perform any such obligation adversely affects or endangers health and safety of the public or of employees of LESSOR, and if LESSOR so states in its notice to LESSEE, LESSOR may, but shall not be obligated to, perform such obligation of the LESSEE at any time after giving of such notice and without awaiting the expiration of the thirty (30) day period, and charge to LESSEE, and LESSEE shall pay, the reasonable cost and expense of such performance.

It is further agreed that if the LESSOR shall perform any of the LESSEE's obligations in accordance with the provisions of this Section, LESSOR shall not be liable to LESSEE for any losses or damages to LESSEE resulting from such performance.

FUEL or CHEMICAL spills shall be immediately reported to the Airport Manager and any state, federal, or local body with regulatory responsibilities. All cost of the cleanup of any spills or relating to any other regulatory reporting or compliance requirements shall be the sole responsibility of Tenant and shall be conducted immediately.

USE of the hangar will be solely for the storage of AVIATION EQUIPMENT owned or leased by the LESSEES only. No vehicles, and no fuel or other flammables, other than the fuel in the tanks of aircraft, shall be stored on the premises. In the event LESSEES shall be issued a certificate allowing the use of automobile fuel in their aircraft, they may fuel the aircraft at the hangar, according to airport rules and regulations, from outside sources provided the fuel is not available from a FIXED BASE OPERATOR.

LESSEES shall provide a 20-pound dry chemical fire extinguisher on the premises for types A, B, and C fires. The extinguisher shall have a current and valid inspection tag on it at all times.

Lessee shall surrender the Premises in the same as good order as they are now, reasonable wear and tear and the act of God alone accepted.

5. Use of Premises

Tenant may use the Premises solely for storage and maintenance of aircraft. Tenant shall not engage in any customer interactions at the Airport. Tenant shall not store any equipment or vehicles not related to aviation on the Premises or at the Airport. Tenant is aware of and shall comply with all FAA requirements, including by way of example and not limitation FAA Order 5190.6B and Advisory Circular 150/5070-6B. The Premises shall not be used as a base for commercial operations including by way of example and not limitation aircraft rental, charter, leasing, flight instruction, or aerial survey or

Commented [BSB10]: Delete either the language relating to hangar rentals only or for FBOs.

photography. Tenant acknowledges that Landlord requires any party desirous of engaging in commercial operations at the Airport to enter into a separate agreement or agreements in addition to a lease, that leases for commercial operators include different or additional terms than those found in this Lease, and that because Tenant strictly prohibited from engaging in any commercial operations, Landlord is entitled to immediately terminate this Lease if this provision is violated in addition to all legal or equitable remedies provided by this Lease or the law.

Commented [BSB11]: Hangar rental only language.

Tenant acknowledges that Landlord has adopted Minimum Standards pursuant to Advisory Circular 150/5190-7. The Minimum Standards adopted as of the Effective Date are Attachment B. Tenant acknowledges that Landlord may elect to revise its Minimum Standards, that Landlord may be required by regulatory bodies like the FAA or Michigan Department of Transportation Bureau of Aeronautics to revise its Minimum Standards, or that regulatory requirements incorporated into Landlord's Minimum Standards by reference may be revised by the applicable regulatory bodies and Tenant shall comply with the then-current Minimum Standards as they exist throughout the term of this Lease. Additionally, Landlord and Tenant have entered into an Alpena County Regional Airport Commercial Operator Agreement (the "COA"), which is Attachment C to this Lease, Tenant shall at all times comply with the COA, and that Landlord is entitled to immediately terminate this Lease if Tenant violates either the then-applicable Minimum Standards or the COA in addition to all legal or equitable remedies provided by this Lease or the law.

Commented [BSB12]: FBO language

5. Snow Removal:

Tenant shall be solely responsible for snow removal on all paved areas of the Premises within two feet of any buildings or improvements (the "2' Perimeter"). Landlord shall be responsible for the balance of the snow removal on the paved areas of the Premises. If the adjacent paved areas have not already been cleared by Landlord, Tenant pay push snow from 2' Perimeter" onto the adjacent pavement. However, if the adjacent paved areas have already been cleared by Landlord, Tenant shall remove the snow in the 2' Perimeter" and place it in an adjacent unpaved area in a manner that does not create a wing strike hazard for Tenant or any other aircraft based on or otherwise using the Airport.

6. INSURANCE AND WAIVER OF LIABILITY:

This paragraph addresses insurance sufficient to provide coverage for any claims Tenant may make and for claims made against Tenant.

Waiver of Liability/Tenant's Insurance

Tenant covenants and agrees that neither Landlord nor its agents, employees, representatives, first responders, rescue personnel, or underwriters are responsible for any loss or damage of any kind, including by way of example and not limitation only their

direct or indirect actions and those caused by fire, theft, weather issues like snow, rain, wind, or hail, the actions of other tenants or users of the Airport, or from any other cause whatsoever, whether said cause be the direct, indirect, or merely a contributing factor in causing harm to any person or damage to any property including the Premises, airplanes, automobiles, other personal property, parts, or supplies that may be located or stored on the Premises or at the Airport.

Because of the liability waiver above, the aircraft and related equipment shall be stored solely at the LESSEES risk. LESSOR does not provide security or surveillance of the premises. LESSEES shall be responsible for all personal injury or property damage. Tenant shall elect the insurance amount and coverage that it deems sufficient to protect it and any person or other property entering the Premises from all kinds of loss.

Claims Made Against Tenant

LESSEE agrees to indemnify, defend, and save Landlord, its agents, officers, Representatives, employees, first responders, rescue personnel, and underwriters harmless from and against any and all liability or loss resulting from claims or court actions arising directly or indirectly out of the acts of the LESSEE, their (its) agents, servants, guests, or business visitors under this agreement or by reason of any act or omission of such person.

LESSEE shall further maintain insurance for personal liability and property damage in the amount of not less than \$500,000, identifying Landlord as an additional named insured, with a Company authorized to do business in the State of Michigan and to show proof of such insurance to the County of Alpena upon signing of this lease, and annually to the Airport Manager.

7. COMPLIANCE WITH RULES:

LESSEES shall conduct no unlawful activities upon the premises, and shall abide by all laws, ordinances, rules and regulations promulgated by any governmental authority, including rules and regulations promulgated by the Airport Authorities. Tenant acknowledges that it has reviewed and understands all Foreign Object Debris rules (FAA Advisory Circular 150/5210-24) and that it shall comply with them.

Commented [BSB13]: Before finalizing the Lease, Steve see if anything else should be called out.

The Airport Manager shall have the right and authority to take all steps necessary to enforce the above provisions.

8. VEHICLES:

LESSEES shall be allowed to park by the entrance door of their hangar under the following conditions:

- a. Vehicle will not be an obstruction to taxiing aircraft or aircraft maintenance
- b. Vehicle will not present a hazard or jeopardize the safety of any person

- c. Vehicle will not hamper or obstruct mowing, snow removal, nor any other airport operations

Should the Airport Manager receive written complaints demonstrating violations of the above conditions the Airport Manager will have the right to designate a parking area to the LESSEE.

Seasonal or long term (7 days or more) storage of vehicles is prohibited.

9. UTILITIES:

LESSEES shall be responsible for the installation, maintenance, and cost of any utilities. Installation of any utility must be approved by the Airport Committee and coordinated with the Airport Manager.

10. TAXES:

LESSEES shall be responsible for all real and personal property taxes levied against the land, building, or its contents.

11. ASSIGNMENT:

LESSEES shall not assign this lease, nor sublet the premises, without the written consent of the Airport Manager after approval by the Airport Committee. Should it be discovered a LESSEE has, contrary to this agreement, allowed an unauthorized person(s) use of the premises the following actions will be taken:

- a) The unauthorized party will be immediately removed
- b) The Airport Manager will request the Alpena County Sheriff Department to conduct an investigation to determine the amount of time the unauthorized person(s) was using the premises
- c) A penalty will be assessed to the responsible LESSEE of \$500.00
- d) The matter will be presented to the Airport Committee, or similar authority, to determine if the responsible LESSEE will have their lease terminated.

LESSOR may assign this lease in the event the airport facilities are transferred to another.

12. TERMINATION:

In the event the LESSEES shall default in their obligations hereunder, LESSOR may terminate this lease upon THIRTY (30) DAYS written notice to LESSEES specifying the cause for termination. In the event the cause for default is not cured within said 30 DAY period, this lease shall terminate and LESSEES shall have FOURTEEN (14) DAYS thereafter in which to vacate the premises.

In the event of termination under the above paragraph, or any other provisions of this lease, LESSOR may remove and put out LESSEES without liability for aircraft or other equipment removed.

Should the land or structure being leased be required by the County of Alpena for economic or any other development, the LESSEE will be notified by the Airport Manager as soon as possible. In the event a hangar would require relocation the County of Alpena will be responsible for all costs associated with said relocation. Should it be necessary to purchase a hangar the structure will be assessed for its fair market value.

13. ACCESS:

LESSOR shall have the right to inspect the premises with LESSEES presence to insure that the terms of this lease are being adhered to provided that in the event of fire or other emergency, the Airport Manager, his designee, or emergency personnel shall have the right to enter upon the premises without the LESSEES presence and remove the LESSEES aircraft and equipment, provided that this provision shall not create any liability on the LESSORS part to do so.

14. REMOVAL:

In the event this lease is terminated, LESSEES shall have the right, and upon LESSOR'S demand, the obligation to remove the hangar and any foundation or slab upon which it sits and to restore the premises to its original condition by leveling and reseeded ground cover. In the event any structure is left with the LESSOR'S permission, it shall become the property of the LESSOR.

15. PARTIES:

Notwithstanding the designation of the individuals constituting the LESSEES in the opening recitations, this lease shall be binding upon all those individuals who actually sign this lease whether all do or not, and those individuals shall be jointly and severally liable hereunder.

16. NOTICES:

All notices shall be given to the parties at their addresses provided above, or such other address furnished to the other from time to time in writing. Additionally, LESSEE NOTICES will be distributed by the Airport Manager via email to any provided email address.

17. PRONOUNS:

Masculine, feminine, and neuter pronouns shall each include all genders, and the singular shall include the plural, and vice versa, where the facts or context so admit.

18. LAW:

This Agreement shall be construed according to the law of the State of Michigan, and shall be binding upon the parties, their respective heirs, assigns, successors, and legal representatives.

IN WITNESS WHEREOF, we have hereunto set our hands and seal the day and year first written above.

ATTEST:

ATTEST:

ALPENA COUNTY, a Local Unit of Government

XXXXXXXXXX LESSOR
Chairman
Alpena County Board of Commissioner

XXXXXXXXXX LESSEE

ATTACHMENT A

The legal description which is the subject of this Lease is as follows:

