

Lessee: _____

Lot #: _____

Lease Agreement

DALTON AIRPORT ASSOCIATION, INC.

Box 310693

Flint, MI 48531-0693

CONTENTS

- I. Premises
- II. Term of Lease
- III. Rental
- IV. Use and Occupancy
- V. Improvements
- VI. Maintenance, Repairs and Alterations
- VII. Utilities and Service
- VIII. Indemnification
- IX. Non-Liability
- X. Condemnation
- XI. Assignment and Subletting
- XII. Environmental Matters
- XIII. Notices
- XIV. Defaults: Remedies
- XV. General Provisions
- XVI. Construction and Form
- XVII. Miscellaneous

LEASE AGREEMENT

THIS LEASE made in Flushing, Michigan, this _____ day of _____, 20____ by and between the Dalton Airport Association, Inc., a Michigan nonprofit organization, hereinafter referred to as the "Lessor," and

_____, hereinafter referred to as the "Lessee" of the

DALTON AIRPORT ASSOCIATION hangar site described as LOT # _____ .

WITNESSETH:

ARTICLE I

PREMISES

The Lessor, for valuable consideration and the covenants and agreements hereinafter specified to be kept and performed by Lessee, does hereby Lease to Lessee an airport lot as described in Exhibit "A" of this Lease. (The term "Premises" shall hereinafter refer to the airport lot as set forth in Exhibit "A" and any buildings and fixtures constructed thereon by Lessee).

ARTICLE II

TERM OF LEASE

The term of this Lease shall be for twenty (20) years and shall commence on the date specified above and shall end 20 years from that date. Lessee shall have the option to renew this Lease for an additional twenty (20) years, provided that Lessor shall have the right to refuse renewal of the Lease if (1) the Lessee is in default of any of the material terms and provisions of this Lease and has failed to cure such default following thirty (30) days written notice of such default, or (2) Lessee is not a member in good standing with The Dalton Airport Association, Inc. as defined by the By-laws of the Association.

If Lessee remains in possession of the Premises, or any part thereof, after the expiration of the term without the express written consent of Lessor, such occupancy shall be a tenancy from month-to-month, subject to all other charges payable hereunder and upon all the terms hereof applicable.

If Lessee terminates his Membership in the Association by transfer or sale of his Corporate Stock to another, Lessee's right of tenancy of the Premises shall be terminated.

ARTICLE III

RENTAL

1) The Lessee hereby covenants and agrees to pay to the Lessor as rent for the Premises the sum of One (\$1.00) Dollar per year for the initial term and a similar amount for the Option Term.

2) Lessee covenants and agrees to pay promptly when due all taxes, fees and charges assessed against any leasehold interest of the Lessee, including all personal property taxes and business taxes of any nature whatsoever, all state, use and sales taxes on the fixtures, improvements and personal property of Lessee which are in or upon the Premises.

3) In addition to the rent hereinbefore required to be paid, Lessee shall pay, as part of the consideration for this Lease, such additional payments as are hereinafter required. All of the obligations of the Lessee contained in this Article shall survive the termination or expiration of this Lease or any renewals or extensions thereof, or of Lessee's right to possession.

(a) Lessee covenants and agrees to pay as additional rental for the Premises, any real estate taxes assessed or imposed separately upon the Premises. All such taxes shall be considered as being paid in advance. If any part of such real estate taxes applies to any period prior to the commencement or subsequent to the expiration of the term of this Lease, or possession by Lessee, then Lessee shall be liable to pay to the Lessor only that portion of such taxes or the installments on such taxes applying to the period of time within the term of this Lease or possession by the Lessee. Lessee shall promptly pay such taxes and any fine, penalty, interest or cost which may be added thereto by reason of late payment of the same.

(b) In the event a tax is enacted as a substitute for any portion of the general property tax, then Lessee shall pay, such substitute tax as provided in this Article.

ARTICLE IV

USE AND OCCUPANCY

Lessee agrees that during the term of this Lease and any extension thereof, it will occupy and use the Premises only for storage of aircraft and will not use the Premises for any immoral or illegal purpose, and in addition, shall use the Premises in accordance with all rules and regulations of any public authority. Lessee shall, at Lessee's expense, comply promptly with all applicable statutes, ordinances, rules, regulations, orders and regulations regulating the use of the Premises. Lessee shall not use or permit the use of the Premises for any matter that will tend to create waste or nuisance.

It is further agreed that the Lessee shall not use the Premises for any other purpose than as defined above, without the written consent of the Lessor.

ARTICLE V

IMPROVEMENTS

Lessee shall have the right, at its own expense, to make reasonable alterations or additions to the Premises, having first obtained Lessor's written approval which shall not be unreasonably withheld. All such improvements shall be in accordance with a site plan approved by the municipal government. Lessee shall have the right to remove such improvements upon termination of the Lease.

ARTICLE VI

MAINTENANCE, REPAIRS AND ALTERATIONS

1) The Lessee agrees to accept the Premises in their presently existing condition and shall be responsible for the ordinary care and maintenance of same, except as specifically set forth in this Agreement.

2) Lessee shall keep all portions of the Premises in good repair and at Lessee's own expense will repair, maintain and replace promptly any damage or deterioration from any cause.

ARTICLE VII

UTILITIES AND SERVICE

The Lessee, during the term of this Lease, shall pay before delinquent, all charges for use of telephone, sewer, gas, water and electricity for the Premises.

ARTICLE VIII

INDEMNIFICATION

Lessee covenants and agrees that it will protect, save and keep Lessor forever harmless and indemnified against and from any penalty or damage or charges imposed for any violation of any law or ordinance, whether occasioned by the act, omission or neglect of Lessee, of those claiming or holding under Lessee and that it will at all times protect, indemnify and save and keep Lessor harmless against and from all claims, loss, cost, damage or expense arising out of or from any accident or other occurrence in or about the Premises and adjacent common areas causing injury to any person or property whomsoever or whatsoever, and that it will protect, indemnify, save and keep Lessor harmless against and from any and all claims, loss, cost, damage or expense arising out of any failure of Lessee, its agents, employees, licensees, contractors or persons and entities claiming or holding under Lessee in any respect to comply with and perform any of the requirements and provisions of this Lease. Said indemnity and hold harmless shall include but not be limited to all costs, attorney fees, expenses and liabilities incurred in the defense of any such claim.

ARTICLE IX

NON-LIABILITY

Lessee's personal and real property of every kind and description, and any aircraft, which may at any time be in the Premises, shall be kept at Lessee's sole risk or at the risk of those claiming under Lessee and Lessor shall not be responsible or liable to Lessee for any loss of business or other loss or damage resulting to Lessee, its business or property from any cause whatsoever.

ARTICLE X

CONDEMNATION

In the event the Premises, or any part thereof, are taken through exercise of the power of eminent domain, the Lessee shall have the right to prove and collect the value of the Lessee's personal property, fixtures, improvements, moving expenses and other damages. All other awards for such taking shall be the property of the Lessor.

In the event the entire premises are taken and all other covenants and conditions of this Lease having been performed, this Lease shall be void as of the date of such taking.

If less than the whole be taken, and the part not so taken shall be sufficient for operation of the Lessee's hanger, Lessee at its option, may retain the part of the Premises not so taken.

ARTICLE XI

ASSIGNMENT AND SUBLETTING

Lessee covenants not to assign or transfer this Lease or hypothecate or mortgage the same without the prior written consent of Lessor; provided that this Lease may be assigned to the purchaser of Lessee's membership in The Dalton Airport Association, Inc. Lessee may sublet a portion of the Premises so long as the subtenant agrees to be bound by all the terms and conditions of this Lease.

Any assignment, transfer, hypothecation, mortgage or subletting not in accordance with the above, shall give the Lessor the right to terminate this Lease and to re-enter and repossess the Premises.

ARTICLE XII

ENVIRONMENTAL MATTERS

Lessee shall keep the Premises free of any hazardous substances and/or hazardous wastes and in full compliance with all applicable acts and regulations. Lessee covenants that it will not cause or permit any of its agents, employees, invitees or any other persons upon the Premises to cause or permit to exist as a result of an intentional or unintentional act or omission on its part, the releasing, spilling, leaking, pumping, pouring, emitting, emptying or dumping from, on or about the property of any hazardous substance. In the event of lessee's failure to comply in full with this Article, Lessor may, at its option, perform any and all of Lessee's obligations as aforesaid and all costs and expenses incurred by the Lessor in the exercise of this right shall be deemed to be payable on demand and with interest at the highest rate permitted by law. This article shall survive the expiration or sooner termination of this Lease.

ARTICLE XIII

NOTICES

Notices as provided for in this Lease shall be given to the Lessor at P.O. Box 310693, Flint, Michigan, 48531-0693, unless Lessee is notified in writing by Lessor of a different address. Notices to be given to the Lessee shall be addressed to the Lessee at the address as shown on the records of Lessor, unless the Lessor is notified in writing by the Lessee of a different address. Notices shall be considered sent hereunder when addressed as above and deposited postage prepaid by registered or certified mail, return receipt requested by the United States mail.

ARTICLE XIV

DEFAULTS: REMEDIES

1) DEFAULTS. The occurrence of any one or more of the following events shall constitute a material default and breach of this Lease by Lessee:

- (a) Vacation or abandonment of the Premises;
- (b) Failure by Lessee to make any payment required as and when due, where such failure shall continue for a period of fifteen (15) days after written notice from Lessor;
- (c) Failure by Lessee to observe or perform any of the covenants, conditions or provisions of this Lease, other than the making of any payment, where such failure shall continue for a period of thirty (30) days after written notice from Lessor;
- (d) The making by Lessee of any general assignment or general arrangement for the benefit of creditors;
- (e) The filing by or against Lessee of a Petition in Bankruptcy, including reorganization or arrangement, unless, in the case of a petition filed against Lessee, the same is dismissed within thirty (30) days;
- (f) The appointment of a trustee or receiver to take possession of substantially all of the Lessee's assets located at the Premises or of Lessee's interest in this Lease.
- (g) Default in Lessee's obligations or suspension of membership privileges as a member of The Dalton Airport Association, Inc.

2) REMEDIES. In the event of any default or breach, Lessor may without waiving or limiting any other right or remedy:

- (a) Immediately re-enter and remove all persons and property from the Premises, storing any property in a public warehouse or elsewhere at Lessee's expense without liability to Lessor.
- (b) Should Lessor elect to re-enter the Premises, Lessor may from time to time relet the Premises or any part thereof for the account of Lessee upon such terms and conditions and for such period (whether longer than the balance of the term hereof or not) as Lessor may consider advisable, either with or without the personal property, equipment or fixtures that may be situated in or on the Premises. The rents received on reletting shall be applied first to the expenses incurred in obtaining said Premises, the expenses of reletting, including necessary renovation and alteration and reasonable attorney's fees and any real estate commission actually paid, and thereafter toward payment of all sums due or to become due to Lessor hereunder and the balance, if any, shall be retained by Lessor. If a sufficient sum is not realized on reletting to pay such rent and other charges, Lessee shall pay to Lessor for any deficiency and Lessor may sue therefor for the deficiency. Such deficiencies shall be paid promptly. No re-entry shall terminate this Lease unless written notice of intention to terminate is given by Lessor. Unpaid installments of rent or other sums shall bear interest at the rate of seven (7%) percent per year from the date due.
- (c) Collect by suit, or otherwise, rent and any additions to rent as it becomes due or enforce by suit or otherwise any covenant or condition or term of this Lease.
- (d) Terminate this Lease, in which event Lessee agrees to immediately surrender possession of said Premises and to pay Lessor all damages Lessor may incur by reason of Lessee's default, including the cost of recovering possession of the Premises and

including the value of the excess, if any, of the amount of rent reserved in this Lease for the remainder of the term over the then reasonable rental value of the Premises for the remainder of the term.

3) NOTICE TO LESSEE OF DEFAULT. Lessee shall notify Lessor promptly of any default not by its nature necessarily known to Lessor of paragraph 1(a).

ARTICLE XV

GENERAL PROVISIONS

1) PRIOR AGREEMENTS, AMENDMENTS. This Lease contains all Agreements of the parties with respect to any matters mentioned, and may be modified only by a writing signed by the parties in interest at the time of modification.

2) WAIVERS. Waiver by Lessor of any provision shall not waive any other provision or any subsequent breach of the same or any other provision. Lessor's consent to or approval of any act shall not render unnecessary the obtaining of Lessor's consent to or approval of any subsequent act.

3) BINDING EFFECT. This Lease shall bind the parties, their personal representatives, successors and assigns.

4) SUBORDINATION. This Lease, at Lessor's option, shall be subordinate to any mortgage, deed of trust, or other security arrangement now or later placed upon the real property of which the Premises are a part and to any and all advances made on the security thereof and to all renewals, modifications, consolidations, replacements and extensions thereof. Notwithstanding such subordination, Lessee's right to quiet possession of the Premises shall not be disturbed if Lessee is not in default. Lessee agrees to execute any documents which will not affect Lessee's rights under this Lease required to effectuate such subordination.

5) LESSOR'S ACCESS. Lessor and Lessor's agent shall have the right to enter the Premises at reasonable times for the purpose of safety inspections.

ARTICLE XVI

CONSTRUCTION AND FORM

The provisions of this Lease and any and all ramifications arising out of it shall be construed according to the laws of the State of Michigan. Any and all action brought under this Lease between Lessor and Lessee, or any actions arising out of this Lease shall be pursued in the State of Michigan, County of Genesee, it being the intention of the parties that the State of Michigan shall be the legal forum with respect to this Lease.

ARTICLE XVII

MISCELLANEOUS

1) If any term or provision of this Lease or the application thereof to any person or circumstances shall to any extent be invalid or unenforceable, the remainder of this Lease, or the application of such term or provisions to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby and each term and provision of this Lease shall be valid and be enforceable to the fullest extent permitted by law.

2) Each term and each agreement, obligation and provision of this Lease to be performed by Lessee shall be construed to be both a covenant and a condition, all of which shall survive the expiration or termination of this Lease, of any renewals or extensions of this Lease and of Lessee's right to possession.

3) The captions of this Lease are for convenience and reference only and in no way define, limit or describe the scope or intent of this Lease or any section hereof, nor in any way affect this Lease.

4) Wherever in this Lease the context requires, the singular shall be deemed to include the plural, and the plural the singular, and the neuter gender shall include both masculine and feminine genders.

5) Whenever in the Lease the context requires, the word "person" shall include "corporation, firm, entity or association."

6) This Agreement embodies the entire agreement and understanding between the parties relating to the subject matter hereof and may not be amended, waived or discharged, except by an instrument in writing executed by the party against which enforcement of such amendment, waiver or discharge is sought.

7) Nothing contained in this Lease shall be deemed or construed by the parties or by any third party to create a relationship of principal and agent or of partnership or of joint venture or of any association whatsoever between Lessor and Lessee, it being expressly understood and agreed that neither the computation of rent nor any other provisions contained in this Lease nor any act or acts of the parties hereto shall be deemed to create any relationship between Lessor and Lessee other than the relationship of Lessor and Lessee.

IN WITNESS WHEREOF, the said signatories have hereunto set their hands and seals

this _____ day of _____, 20____

WITNESSES:

LESSOR: THE DALTON AIRPORT ASSOCIATION, INC.

By: _____

By: _____

LESSEE:

By: _____