

**LEASE OF REAL ESTATE AT THE      AIRPORT**

THIS INDENTURE made this \_\_\_\_day of \_\_\_\_, 20\_\_ between the (Owner Name)  
("Landlord") and ("Tenant").

WITNESSETH:

**1) Legal Description of Leased Premises**

The Landlord hereby leases to the Tenant and the Tenant hereby leases  
from the Landlord the following described real estate, being a part of the  
Airport, Township, County, Illinois; to-wit:

(Parcel or Building #)

That part of the (Name of Airport) described as follows:

(Legal description)

**2) Ground Rent**

The Tenant will pay to the Landlord annual ground rent for the parcels  
described in Paragraph 1 of this Agreement as follows:

The Tenant will pay to the Landlord an annual ground rent in the amount  
of \$      of which ground rent may, at the option of the Tenant, be paid  
annually on the anniversary date of this Lease or in equal monthly  
installments. Said ground rent is to be paid by the 1st day of the period to  
be covered by the rent payment. Monthly ground rent payments shall be  
due on the first day of the month and each succeeding month hereafter

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until the termination of this Lease. Said ground rent is computed by multiplying the total square footage of the subject parcel by an amount of \$        per square foot and shall be adjusted annually on the first day of

**3)      ADDITIONAL RENT**

(a)                      In addition to the ground rent provided in Section 2, the Tenant shall pay \$        to the Landlord, as additional rent for use of the leased premises, derived by the Tenant from the business conducted on the leased premises. Additional rent may, at the option of the Tenant, be paid annually on the anniversary date of this Lease or in equal monthly installments. Said additional rent shall be due on the first day of the month and each succeeding month hereafter until the termination of this Lease.

(b)                      In the event Tenant is awarded operating privilege of either storing or dispensing for their own use or dispensing at retail, aviation fuels, at the (Name of Airport) , Tenant will be charged a flowage fee of \$        per gallon payable no later than 30 days from the end of the month in which fuel was dispensed.

(c)                      If, for any reason, the rent as set forth in this Section is not paid when due, a carrying charge of two percent (2%) per month or any portion of the month thereof shall be imposed on the amount which remains due and unpaid. In

addition, if the Tenant is determined to be delinquent for any two (2) months during a consecutive twelve (12) month period then the Tenant shall be required to post a security deposit/bond. Said security deposit/bond shall be in the form of cash or cash equivalency or a letter of irrevocable credit. (The amount of the security deposit/bond shall be in an amount equivalent to, but not less than value of the preceding twelve (12) months of any and all amounts due and payable to the (Owner's Name) . Subsequently, upon satisfactory timely payments for twelve (12) consecutive months, the security deposit/bond may be returned to the tenant. Should the tenant fail to provide for a security deposit/bond within thirty (30) days of when requested by the (Owner's Name) this shall be considered to be a breach of the lease provision.

(d) **There shall be an annual cost of living adjustment for all rents and leases. This cost of living adjustment will be mutually decided upon between Landlord and Tenant before the signing of this lease, but not less than that determined by the federal Consumer Price Index.**

**4) Lease Term**

The term of this lease shall begin on \_\_\_\_\_ and shall continue for a period of (\_\_\_\_) years expiring on \_\_\_\_\_. The Tenant shall have the option to renew this Lease for an additional (\_\_\_\_) years; provided,

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that, at the time of such renewal, any party hereto shall require the renegotiation of the amounts of ground rent and/or additional rent under Paragraphs 2 and 3 herein. Such renegotiated amounts being determined by arbitration in accordance with the commercial arbitration rules of the American Arbitration Association if the parties hereto are themselves unable to agree thereupon and further provided that at the time of the Tenant's exercise of said option it is not in default of any of the terms and provisions contained herein. Tenant shall advise the Landlord by the procedure specified in the "NOTICES" Paragraph of this Agreement no sooner than and no later than of its intent to exercise the option contained herein.

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## 5) Use of Premises

(a) Tenant agrees that the use of the premises shall be limited to the following list of activities

- 1)
- 2)
- 3)
- 4)
- 5)
- 6)

All the aforementioned authorized activities shall be limited to the Tenant.

No other activities or business shall be authorized to conduct or perform or provide any service from the leased premises without prior written approval from the (Name of Owner) . Any separate or affiliated person (corporation, individual, partnership, LLC, joint venture, etc.) operating from the premises without prior written approval from the (Name of Owner) shall be deemed to be in violation of this Lease Agreement.

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Should the Tenant not actively be engaged in any of the approved activities set forth in this paragraph for a period of time exceeding 3 consecutive months, the City reserves the right to rescind its approval for such activity. As a requirement for the use of said premises as described

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in Paragraph 1 of this Agreement the Tenant shall, at no cost to the Landlord, maintain the water and sanitary sewer lines to and through the described premises. The Tenant shall maintain a septic system for the Parcel(s) referenced above, in the size and location specified by the Landlord. Tenant shall present to the Landlord, to receive approval from the Landlord, plans for any alterations to the water or sanitary service systems prior to any alterations

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(b) Building Construction Requirement. The Tenant shall be required to abide by all Fire Codes and Building Codes, as adopted by the (Name of Owner) , in the operation and alteration of the facilities on Parcel as described herein. The type, size, style and appearance of construction must be approved by the Landlord prior to submittal for building permits.

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Said approval shall not be unreasonably withheld. Lessee agrees to pay or cause to be paid, when due, all sums of money that may become due for, or purporting to be for, any labor, services, materials, supplies, utilities, furnishings, machinery or equipment which may have been furnished or ordered with Lessee's consent to be furnished to or for the Lessee or a sublessee in, upon or about the premises herein leased, which may be secured by any mechanic's, materialmen's or other lien against the premises herein leased or Lessor's interest therein, and will cause each such lien to be fully discharged and released at the time the performance of any obligation secured by any such lien matures or becomes due, provided that the lessee or sublessee may in good faith contest any mechanic's or other liens filed or established, and in such event, may permit the items so contested to remain undischarged and unsatisfied during the period of such contest.

(c) The Landlord shall approve the design and location of any parking lots to be constructed to service Parcel prior to issuance of a building permit. Said parking lots shall be constructed at the sole expense of the Lessee. Prior to any construction Lessee shall submit copies of prime contracts, subcontracts and evidence to Lessor of availability of sufficient funds or commitment for funds to pay for the full cost of construction of such improvements. Said evidence may be either an irrevocable letter of credit or a performance bond or such other mutually agreed upon

instrument guaranteeing payment of all construction cost equal to 1.25 times the contract(s) amount(s).

**6) Non-Discrimination**

The Tenant for itself, its personal representatives, successors in interest and

assigns, as part of the consideration hereof, does hereby covenant and agree that:

(a) For all aeronautical leases involving services to the public; each lease must be in conformance with Section 47107 of Title 49, USC, Subtitle VII, as amended, as follows:

**Deleted:** 308 of the Federal Aviation Act of 1958

"It is hereby agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right prohibited by Section 47107 of Title 49, USC, Subtitle VII, 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."

**Deleted:** Section 308 of the Federal Aviation Act of 1958

(b) All leases involving services to the public must contain the assurances required by Title VI of the Civil Rights Act of 1964, and by Part 21 of the regulations of the Office of the Secretary of Transportation, as follows:

"The lessee for himself, his personal representatives, successors in interest and assigns, as part of the consideration hereof, does hereby covenant and agree that: 1) 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 in the use of said facilities; 2) in the construction of any improvements on, over or under such land 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; 3)

the lessee shall use the premises in compliance with all the other requirements imposed by Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, nondiscrimination in Federally-assisted programs of the Department of Transportation Effectuation of Title VI of the Civil Rights Act of 1964, as amended."

- (c) All aeronautical leases involving services to the public must contain the provisions of the airport Grant Assurances, as follows:

Deleted: paragraph 4b of the Project Application for Airport Improvements

"The lessee agrees to furnish service on a fair, equal and not unjustly discriminatory basis to all users thereof, and to charge fair, reasonable and not unjustly discriminatory prices for each unit or service; PROVIDED, that the lessee may be allowed to make reasonable and nondiscriminatory discounts, rebates or other similar types of price reductions to volume purchasers."

- (d) In the event of breach of any of the above covenants, Tenant shall have thirty (30) days to resolve said breach to the satisfaction of the Landlord. If the parties hereto cannot agree that said breach has been, or can be, resolved, then the matter shall be referred to arbitration as provided for in Paragraph 4(a) of this Lease.
- (e)

## 7) Use of Airport Facilities

The Tenant shall have use of the (Name of Airport), including, but not by way of limitation, the landing areas, aprons, taxiways and vehicle parking areas for no additional charge during the pendency of the lease. This Lease shall not be construed to convey to the Tenant the exclusive use of any part of the (Name of Airport) Airport except those premises described in Section 1 herein, or to grant or authorize the granting of an exclusive right to provide aeronautical services to the public as prohibited by Section 47107 of Title 49 USC, Subtitle VII, as amended. The Landlord

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reserves the right to lease to any other party any portion of the (Name of Airport) not described in Paragraph 1 herein (and subject to the terms of the Right of First Refusal) other than public facilities, and to grant to others the privilege and right of conducting any one or more activities of an aeronautical nature.

**8) Care of Leased Premises**

(a) Lessee shall keep and maintain the leased premises and all improvements of any kind, which may be erected, installed or made thereon by Lessee in good and substantial repair and condition, including the exterior condition thereof, and shall make all necessary repairs and alterations thereto. Lessee shall assume all responsibility for the installation and maintenance of any fuel or oil (or any other material deemed hazardous by the Environmental Protection Agency) storage facility on the airport that is for the sole use of the Lessee. Maintenance includes, but is not limited to, any and all environmental clean-ups of the site and/or removal of the facility. Lessee agrees to hold harmless from any responsibility or expense, the Landlord for any maintenance of the facilities during the lease. Lessee shall provide proper containers for trash and garbage and shall keep the premises free and clear of rubbish, debris and litter at all times. Lessee shall also maintain all aprons, ramps and taxiways that are constructed by Lessee and are for the

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exclusive use of Lessee, its sublessees, guests and invitees. Lessee shall keep mowed and in a sightly condition all landscaping and grass areas within the leased premises. Lessee shall be responsible for payment of all electric, telephone, road, water, natural gas and other public utility services used on the premises during the lease.

(b) At the termination of this Lease or of any extension or renewal thereof, Tenant shall surrender the leased premises, including all buildings and site improvements constructed or installed by the Tenant, in good condition. Reasonable wear and tear and damage by fire, explosion, windstorm or any other casualty excepted. All such buildings and improvements shall become the sole property of the Landlord upon termination of the Lease. Regardless of the time when such termination occurs, or the reason therefore, the Landlord shall have no obligation to account for, or pay the value or cost of, such buildings or improvements to the Tenant.

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## 9) Insurance

Tenant covenants and agrees to maintain in force and effect at all times during the term of this Agreement public liability insurance in the minimum amount of \$ combined single limit for bodily injuries or property damage of such other amount as may be set forth by the (Owner Name) for commercial activities on the (Name of Airport). Said insurance shall protect Tenant, (Owner Name), Airport Manager and

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their agents or employees from loss on account of each and every claim or demand arising out of alleged wrongful or negligent acts or omissions on the part of Tenant, its agents, servants or employees. Said insurance shall be with a company or companies satisfactory to the (Owner Name) , and shall include coverage commonly known as "Airport Liability," "Hangar Keepers' Liability," "Workers' Compensation" and "Product Liability." The (Owner Name) and Airport Manager shall be named as an additional insured in such insurance and shall be provided with certificates of the insurance evidencing such coverage throughout the life of this Agreement. The insurer shall advise the Owner 30 days prior to any termination or reduction of coverage.

#### 10) Subordination

(a) State and Federal Law

This Lease is subject to all applicable State and Federal laws as well as all articles and conditions of grant agreements entered into between the Landlord and the Federal Aviation Administration and the Division of Aeronautics, Department of Transportation of the State of Illinois and nothing contained herein shall be construed to prevent the Landlord from making such further commitments as it desires to make to the Federal Government or to the State of Illinois so as to qualify for further expenditure of federal and/or state funds at the (Airport name) .

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(b) Local Ordinances

This Lease shall be subject and subordinate to all ordinances of the (Owner Name) , the Rules and Regulations of the (Airport name) and/or the Minimum Standards for Commercial Activities at the (Airport name) , as the same may be in effect and amended from time to time.

**11) Condemnation**

In accordance with the statutes of the State of Illinois relative to eminent domain, the Landlord shall have the power to condemn this leasehold, or any portion thereof, even though the Landlord is, itself, a party hereto.

**12) Right of Access**

The Landlord hereby reserves the right to enter upon the leased premises at reasonable times for the purpose of making inspections to determine if the conditions and requirements of this Lease are being fully complied with. Should any buildings on the leased premises become deficient in maintenance or in need of repair, Tenant hereby agrees to repair same within thirty (30) days after receipt of notice from Landlord. Failure to comply shall be considered a breach of this Lease.

**13) Storage of Damaged Aircraft**

No damaged aircraft shall be stored in view of the general public.

**14) Tenant's Personnel**

All personnel employed by the Tenant on the leased premises shall be schooled, trained and competent for their assigned duties and shall be of good moral character.

**15) Accounting, Financial Statements and Audits**

At all times during the terms of this Lease, the Tenant shall maintain accurate books, accounts, records and receipts in accordance with Generally Accepted Accounting Principles. Such accounting records shall reflect the true status of all business conducted on the leased premises and shall be maintained for a minimum period of three (3) years after the close of the Tenant's fiscal year. Tenant shall annually present to the Landlord a copy of the Tenant's annual financial statements within 60 days of the end of the fiscal year. Furthermore, the financial statements and supporting accounting records shall be made available, at any reasonable time, for examination and audit by the City of Morris, or its designee.

**16) Delays in Enforcement**

No delay on the part of any party in enforcing any of the provisions of this Lease shall be construed as a waiver thereof. No waiver on the part of any party of a breach of any of the provisions of this Lease shall be construed as a waiver of any subsequent breach.

**17) Assignment of Lease**

This Lease may not be assigned or subleased without the prior written consent of the Landlord and such consent shall not be unreasonably withheld.

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**18) Notices**

All notices required hereunder shall be in writing.

**19) Successors and Assigns**

The terms, covenants and conditions of this Lease shall be binding upon and inure to the benefit of the successors and/or assigns of the parties hereto.

**20) Interpretation**

(a) Severability

It is the intention of the parties hereto that the provisions of this Lease shall be severable with respect to declaration of invalidity of any provision contained herein.

(b) Headings

The paragraph headings are for convenience only and do not define, limit or describe the contents of such paragraphs.

(c) Governing Law

The laws of the State of Illinois shall govern the validity, performance and enforcement of this Lease.

(d) Amendments

No amendments, modifications or supplements to this Lease shall be effective unless in writing and executed and delivered by both parties to this Lease.

**21) Leasehold Mortgage**

The parties acknowledge that Tenant intends to mortgage its leasehold

interest created hereunder. Notwithstanding anything else contained herein to the contrary, with respect to such a leasehold mortgage and the mortgagee ("Mortgagee") thereunder, Landlord and Tenant agree that:

(a) They shall together execute a Memorandum of Lease in written form, which shall be recorded in the Office of the Recorder of County, such that a title insurance company may issue its mortgagee's title insurance policy on the recorded leasehold estate.

(b) Landlord shall send to Mortgagee a copy of any notice it sends to Tenant hereunder, provided that Mortgagee has first submitted Mortgagee's address to Landlord in writing.

(c) Tenant shall have no right to amend, modify, cancel or terminate this Lease without the Mortgagee's prior written consent thereto.

(d) In the event of any default on the part of Tenant hereunder, Landlord shall give Mortgagee written notice thereof, and an opportunity to cure said default for a period of not less than thirty (30) days beyond, or longer than, any period given to Tenant to cure such default.

(e) If the Mortgagee shall take possession of Tenant's leasehold estate, by foreclosure or otherwise, then (i) Mortgagee shall not be liable for any previous defaults of Tenant occurring prior to the time Mortgagee takes possession, and (ii) to the extent Mortgagee's right to assign or sublet all or any portion of the premises is conditioned on the prior consent of Landlord, Landlord agrees that such consent shall not be unreasonably

withheld or delayed.

IN WITNESS WHEREOF, the Landlord has caused this Lease to be executed by its (mayor/clerk or Chm/Sec.) , and its corporate seal affixed hereto, and Tenant has caused this Lease to be executed by its \_\_\_\_\_ and its corporate seal affixed hereto, effective the day and year first above written.

LANDLORD: (Owner name)

BY \_\_\_\_\_

ATTEST:

\_\_\_\_\_

TENANT:

BY \_\_\_\_\_

ATTEST:

\_\_\_\_\_