

## West Michigan Airport Authority

60 Geurink Boulevard, Holland, MI 49423

P (616) 368-3023

*Comprising City of Zeeland, Park Township and City of Holland*



## West Michigan Airport Authority

### Regular Meeting Agenda

**June 21<sup>st</sup>, 2023**

**08:00am - 10:00am**

**60 Geurink Blvd. Holland, MI 49423**

<https://us06web.zoom.us/j/83777032853>

#### Authority Members

##### City of Holland

Dave Hoekstra  
Scott Corbin  
Charles Murray

##### City of Zeeland

Kevin Klynstra  
Beth Blanton  
Doug Barene

##### Park Township

Elisa Hoekwater  
Skip Keeter  
Ken Brandsen

##### Ex-officio

Jim Storey  
Lucy Ebel

1. Roll Call
2. Public Comment.
3. Approval of Agenda (Action Requested).
4. Board Discussion of 2024 Airport Manager's Contract Renewal
5. Approval of Hangar Sale between FlightLevel Aviation and 3303 John F Donnelly Dr. and hangar sublease agreement between John F. Donnelly Dr. and Av Flight.
6. Other Business:
7. Adjourn.

Next Meeting will be held July 10<sup>th</sup>, 2023

## **EMPLOYMENT AGREEMENT**

**This Employment Agreement** ("Agreement") is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2023, by and between the **West Michigan Airport Authority**, a Michigan Community Airport Authority formed in accordance with Act 206 of the Public Acts of 1957, as amended, MCL 259.621, hereinafter called the "Authority" and **Aaron Thelenwood**, hereinafter called "Employee":

### **WITNESSETH:**

**WHEREAS**, the Authority desires to employ the services of Aaron Thelenwood as the Airport Director of the Authority; and

**WHEREAS**, it is the desire of the Authority to provide certain benefits, establish certain conditions of employment, and to set working conditions of Employee; and

**NOW, THEREFORE**, in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

### **SECTION 1. DUTIES:**

The Authority employs Aaron Thelenwood as Airport Director to perform the functions and duties specified in the job description attached as **Exhibit A**, and to perform such other legally permissible and proper duties and functions as the Authority shall from time-to-time assign. The Employee shall devote his full-time efforts to perform the duties and obligations of Airport Director. It is recognized that the Employee must devote a great deal of time outside the normal office hours on business for the Authority and to that end Employee shall be allowed to establish an appropriate work schedule. The schedule shall be appropriate to the needs of the Authority and shall allow Employee to faithfully perform his assigned duties and responsibilities.

## **SECTION 2. TERM:**

The term of this Agreement shall commence on January 1, 2024, and shall continue until June 30, 2024 ("Initial Term").

A. In the event 60 days written notice is not given by either party to this Agreement to the other prior to the termination date of the Initial Term as set forth above, this Agreement shall be extended on the same terms and conditions as provided herein, with the exception of compensation and benefit adjustments, for an additional period of three (3) years. This Agreement shall continue thereafter for one (1) year terms unless either party hereto gives 60 days written notice to the other party that the notifying party does not wish to extend this Agreement for an additional one (1) year term. If the Authority provides written notice to the Employee that it does not wish to extend this Agreement beyond the Initial Term or any renewal thereof, this Agreement shall be terminated, and the Authority shall have no further duty or obligations pursuant to the terms thereof, except for payment to the extent set forth in Section 3(A).

B. Nothing in this Agreement shall prevent, limit, or otherwise interfere with the right of the Authority to terminate the services of the Employee at any time, subject only to the provisions set forth in Sections 3(A) and 3(B) of this Agreement.

## **SECTION 3. TERMINATION AND SEVERANCE PAY:**

A. In the event Employee is terminated by the Authority before the expiration of the Initial Term of the Agreement or any renewal thereafter, and during such time that Employee is willing and able to perform the duties of the Airport Director, then the Authority agrees to pay Employee a lump sum cash payment equal to three (3) months' of base salary plus any accrued PTO calculated to the effective date of termination pursuant to Section 7; provided, however, that in the event Employee is terminated because of any of the following or combination thereof, no such payment shall be made:

1. The Employee is convicted of any illegal act involving personal gain to him in his capacity as Airport Director;
2. The voluntary termination of Employee's employment by his resignation;
3. The Employee has been convicted of a criminal offense involving moral turpitude, which shall be construed to mean any act of baseness, vileness, or depravity, or any act contrary to justice, honesty, or good morals, or any act done with deception or through corrupt motives;
4. The Employee has been guilty of insubordination or conduct detrimental to the interests or mission of the Authority and has had reasonable written notice of the charges of misconduct. Insubordination shall be defined as action by the Employee which, in the reasonable judgment of the Authority, is in violation or disregard of a stated policy or directive of the Authority which the Employee has notice of prior to the claimed act of insubordination. Conduct detrimental to the interests or mission of the Authority shall be defined as action by the Employee which, in the reasonable judgment of the Authority, is harmful to the public image or reputation of the Authority or detrimental to the performance of the Authority.
5. The Employee has been absent without cause.
6. The Employee has failed to return after absence with cause, beyond the expiration of all available personal leave and/or paid time off.
7. The Employee has failed or refused to appear in obedience to lawful process or order of the Authority to answer questions under oath before the Authority or a committee or subcommittee authorized to investigate the Authority, or before any authorized court, office, or tribunal, or before a grand jury involving

matters connected with the conduct of official business of the Authority or any division, department, board, or commission thereof.

B. In the event that the Authority gives notice to Employee of its desire to terminate this Agreement upon expiration of the Initial Term or any renewal term pursuant to Section 2, such notice of termination shall constitute a termination pursuant to Section 3(A) for which a severance payment shall be made, absent the conditions listed in Section 3 (A)(1)-(7).

C. In the event Employee voluntarily resigns his position with the Authority before expiration of the Initial Term of this Agreement, then Employee shall give the Authority sixty (60) days' notice in advance.

#### **SECTION 4. SALARY:**

A. The Authority agrees to pay Employee for the performance of services rendered pursuant to Section 1, an annual salary of \$97,730 payable in equal installments at the same time as other employees of the Authority are paid.

B. The Authority agrees that Employee's annual salary shall be increased by the inflation rate determined under MCL 211.27a (2)(a) for property taxes, but not more than 5% per year. If the inflation rate declines during the adjustment period, the Employee's annual salary shall remain the same.

C. The Authority shall review and evaluate the performance of the Employee at least once annually and shall complete the evaluation by June of each year to determine the accomplishments by the Employee of the objectives established. Such reviews and evaluations shall be in accordance with specific criteria developed jointly by the Authority and Employee. Said criteria may be added to or deleted from as the Authority may from time to time determine, in consultation with the Employee. Further, the Authority shall provide the Employee with a summary written statement of the findings of the Authority and provide an adequate opportunity for the Employee to discuss his evaluation with the

Authority.

D. Annually, during the First Year, Second Year, and Third Year of this Agreement, the Authority and Employee shall define such goals and performance objectives which they determine necessary for the proper operation of the Authority and in the attainment of the Authority's policy objectives and shall further establish a relative priority among those various goals and objectives, said goals and objectives to be reduced to writing. The goals and objectives shall generally be attainable within the time limitations as specified and the annual operating and capital budgets and appropriations.

provided. The Authority shall review with Employee the performance of these goals and objectives not less than quarterly during the term of this Agreement.

#### **SECTION 5. CELL PHONE:**

Employee shall be reimbursed for his smart phone usage at the rate approved by the Authority in the amount of \$60.00 per month. Employee shall complete a Smart Phone Reimbursement Timesheet to obtain reimbursement.

#### **SECTION 6. GENERAL EXPENSES:**

The Authority recognizes that certain expenses of a non-personal and job-affiliated nature are incurred by Employee, and hereby agrees to reimburse or to pay said general expenses, subject to the approval of the Authority, which shall not be unreasonably withheld.

#### **SECTION 7. VACATION AND SICK LEAVE:**

The Authority agrees to grant annual paid time off ("PTO") during the term of this agreement in the amount of 6.5 hours per pay period for a total of 169 hours per year (21 days). In the event Employee fails to use the designated PTO, Employee shall be permitted to carry over unused PTO into the next year of the Agreement however, but the Employee may not accumulate and carry over more than 40 hours (5 days) of unused PTO into the next year of the Agreement. Inform chair or designee

and copy Authority's fiscal agent normally at least 24 hours in advance for schedule PTO, no more than 5 days banked, if don't use, lose over 5 days.

**SECTION 8. HEALTH, DENTAL, AND DISABILITY INSURANCE:**

A. In the event the Employee elects to opt out of the Authority providing a health insurance benefit under this Agreement. Employee shall be paid by the Authority the sum of \$250 per month for an annual payment of \$3,000 relating to the health insurance opt-out. In the event Employee elects a health insurance benefit, Employee shall recommend a plan to the Authority and, if the plan is approved by the Authority, the Authority shall pay 80% of the annual premium costs. The remainder of the cost shall be paid by the Employee.

B. In the event Employee elects a dental insurance benefit, Employee shall recommend a plan to the Authority, and if the plan is approved by the Authority, the Authority shall pay 80% of the annual premium cost. The remainder of the cost shall be paid by Employee.

C. Employee shall further be provided with short term disability insurance, which shall be self-funded by the Authority. The short-term disability benefit shall be 65% of the Employee's then current salary and be payable during the period that the Employee is unable to work due to physical disability. The benefit is limited to 6 months of payment. In the event Employee elects a short-term disability insurance benefit, Employee shall recommend a plan to the Authority and, if the plan is approved by the Authority, the Authority shall pay 80% of the annual premium costs. The remainder of the costs shall be paid by Employee.

D. In the event Employee elects a long-term disability insurance benefit, Employee shall recommend a plan to the Authority and, if the plan is approved by the Authority, the Authority shall pay 80% of the annual premium costs. The remainder of the cost shall be paid by the Employee.

#### **SECTION 9. RETIREMENT PLAN:**

The Authority agrees to annually pay and contribute six percent (6%) of the Employee's base salary as defined in Section 4 ("Employee's Salary") to a defined contribution plan with the Michigan Employment Retirement System ("MERS") which benefits the Employee. The Employee's account balance in such plan will vest according to the terms of the defined contribution plan. The beginning date for such plan will commence as defined in the plan documents.

The Employee may establish a 457 Plan with the MERS which benefits the Employee. If Employee contributes to the 457 Plan, the Authority will match the Employee's contribution up to the maximum amount of 2% of Employee's Salary.

#### **SECTION 10. INDEMNIFICATION:**

The Authority hereby agrees to save, defend, hold harmless, and indemnify the Employee against any tort, professional liability claim or demand or other legal action, whether groundless or otherwise, arising out of any alleged act or omission occurring in the performance of Airport Director's duties, as long as the Employee is acting within the scope of his employment. This covenant of indemnification shall also include attorney fees and costs incurred in defense of such claim, action, or liability. To the extent permitted and covered by the Authority's liability insurance coverage policy or the terms of other applicable liability coverage, this covenant shall extend past the active employment of the Employee for all matters relating to the duties of the Airport Director within the scope of and during the term of his active employment. The Authority may compromise and settle any such claim or suit and pay the amount of any such settlement or judgment rendered thereon. Whenever the Authority provides any defense required of it under this Section, the Authority may assume exclusive control over the representation of the Employee, and the Employee shall cooperate fully with the defense. In the event the Authority's liability insurance will not extend coverage to Employee after his active employment, Employee and the Authority will negotiate other available financial security

methods to protect Employee.

## **SECTION 11. GENERAL PROVISIONS:**

### **A. General Terms and Conditions of Employment.**

1. The Authority shall fix any such other terms and conditions of employment as it may determine from time to time relating to the performance of the Employee, as Airport Director, provided such terms and conditions are not inconsistent with, or in conflict with, the provisions of this Agreement, or any other law applicable to the Authority.
2. In the event of a breach of this Agreement by the Authority and/or the Employee, and the commencement of litigation, arbitration, or other dispute resolution, the prevailing party in such litigation, arbitration, or dispute resolution shall be entitled to collect reasonable attorney fees and costs incurred in connection with the prosecution and/or defense of its case.
3. This Agreement shall be binding upon and inure for the benefit of the heirs-at-law and personal representatives of Employee.
4. If any provision, or any portion thereof, contained in this Agreement is held unconstitutional, invalid or unenforceable, the remainder of this Agreement or any portion thereof, shall be deemed severable, shall not be affected, and shall remain in full force and effect.
5. This Agreement has been jointly drafted by the Authority and the Employee, and the parties have had the opportunity to consult with legal counsel for the review of the terms and conditions of the Agreement. No interpretation or construction of this Agreement shall be made based upon the drafting of the document and the parties acknowledge joint draftsmanship and review.

**SECTION 12. NOTICES:**

Notices pursuant to this Agreement shall be given by personal service or by deposit in the custody of the United States Postal Service by certified mail, return receipt requested and postage prepaid, addressed as follows:

If to the Authority:

West Michigan Airport Authority  
Attention: Chairperson  
60 Geurink Boulevard  
Holland, Michigan 49423

With a copy to:

Cunningham Dalman, PC  
Attn: Rachel Hillegonds  
321 Settlers Rd, PO Box 1767  
Holland, Michigan 49422-1767

If to the Authority:

Aaron Thelenwood  
5824 Walnut Ridge Drive, SW  
Wyoming, Michigan 49418

Notice shall be deemed given as of the date of personal service or as of the date of deposit of such written notice in the course of transmission in the United States Postal Service.

**SECTION 13. AMENDMENTS:**

This Agreement may only be amended at any time during its term upon written agreement between the Authority and Employee.

**SECTION 14. COMPLETE AGREEMENT:**

This Agreement is the complete agreement between the parties and supersedes all prior agreements, representations and negotiations between the parties.

{Signatures on next page}

**IN WITNESS WHEREOF**, the Authority has caused this Agreement to be signed and executed on its behalf by its Chairperson and the Employee has signed and executed this Agreement the day and year first above written.

**WEST MICHIGAN AIRPORT AUTHORITY**

Dated: \_\_\_\_\_, 2023

By: \_\_\_\_\_

Its: \_\_\_\_\_ Chairperson

APPROVED AS TO FORM:  
West Michigan Airport Authority

By: \_\_\_\_\_  
Ron VanderVeen, Attorney

Date: \_\_\_\_\_

**EMPLOYEE:**

Dated: \_\_\_\_\_, 2023

\_\_\_\_\_  
Aaron Thelenwood

# West Michigan Regional Airport

## Airport Authority Director

Contract Period: Jan. 2024-June 2024

### **Summary:**

Formed in 2008, the West Michigan Regional Airport Authority is comprised of three (3) units of government, Holland City, Park Township, and the City of Zeeland. The Airport Authority is responsible for all operations and capital projects of the West Michigan Regional Airport, as well as stewardship of the public interest of its member communities. The Director is appointed by the and reports directly to the Airport Authority Board.

*This job description Is Intended to describe the generalized level of work being performed by a person assigned this job. They are not to be construed as an exhaustive list of all job duties that may be performed by a person so classified.*

### **PRIMARY DUTIES & RESPONSIBILITIES:**

- 1) Represent interests and execute directives of the Airport Authority Board by strategically increasing development on Airport property and meeting the needs of the airport's users, tenants, and Airport Authority Member Communities.
- 2) Providing support to the Airport Authority Board and its sub-committees.
- 3) Continuous engagement of constituents of member communities and expanded engagement with other regional partners.
- 4) To promote the Airport Authority by providing information on airport functions, services, and economic benefits through presentations to special interest groups, community organizations, local governments, general public members, the media, etc. The Airport Authority Director is expected to work locally, regionally, across the state, and nationally (when necessary) in promoting the West Michigan Regional Airport.
- 5) Works to maintain, expand, and diversify revenue sources for the Airport.
- 6) Provide strategic insight into expanding current relationships and engaging new partners in the regional business community.

- 7) Provide strategic oversight regarding expanding public/private use of current airport facilities and identify potential future opportunities.
- 8) Develop annual budgets, contracts, certified resolutions, and capital expenditures and monitors federal and state grants. Creates and presents monthly financial reports, policies, procedures, and other related operational items for presentation and adoption by the Airport Authority Board.
- 9) Prepares, applies for, and manages federal and state grant applications.
- 10) Manage & update the Airport Capital Improvement Plan.
- 11) Facilitate the regular Airport Authority Board meetings and occasional special meetings.
- 12) Facilitate standing subcommittee meetings (Operations, Communications, or Building & Development) and schedule meetings as needed.
- 13) Manage Airport Contracts & Leases, including Fixed Base Operator (FBO) Agreements, Airport Management Agreements, land leases, private fuel facilities, and other similar agreements.
- 14) Oversee the performance of the General Operations and other airport staff, FBO contract staff, and Airport Consultant.
- 15) Actively engage with outside organizations and attend West Coast Chamber of Commerce meetings, Lakeshore Advantage, and other similarly related organizations that directly benefit airport operations.
- 16) Serve as liaison for the airport to state, federal, and local transportation officials.
- 17) Ensure Compliance with relevant federal, state, and local regulations about airport operations.
- 18) Negotiate contracts and implement fees established by the Airport Authority Board for leases, landing fees, and other related fees.
- 19) Oversee personnel management functions, including recruiting, interviewing, hiring, training, assigning responsibilities, evaluating performance, addressing performance issues, etc.
- 20) Represent the Airport Authority on relevant associations (ex: the Michigan Association of Airport Executives) and attend appropriate training, seminars, and conferences on behalf of the Airport Authority Board.

- 21) Oversee airport community engagement & outreach strategy.
- 22) Maintain the Airport Emergency Operation Plan.
- 23) Maintain communication & engagement with the Federal Aviation Administration (FAA), Michigan Department of Transportation Aeronautics (MDOT-A), and Authority governmental Member Units.
- 24) Recommend operational/process improvements and identify capital needs. \*is this redundant?
- 25) Ensure facilities are maintained, and repairs are made promptly.
- 26) Participate in joint events between the Airport Authority and the Airport's FBO.
- 27) Other duties as determined and assigned by the Airport Authority Board.

## **QUALIFICATIONS:**

Bachelor's degree in Aviation Management, Public Administration, Business Administration, or a related field. Master's Degree is preferred.

Candidates should have 3-5 years of relevant experience in the following areas:

- Aviation
- Business Development
- Community Economic Development
- Community Engagement Outreach

Or a combination of similarly related experiences as outlined above.

Demonstrated experience in public speaking, presenting to boards, commissions, or similar governing bodies, and engaging with members of the public.

A successful candidate will be a dynamic leader and dedicated public servant who is innovative, motivated, self-directed, able to develop an evolving vision for the airport, have an intrinsic sense of accountability and responsibility to the public they represent and serve, and value diverse perspectives, experiences, backgrounds, and ideas

## **OTHER REQUIREMENTS:**

The successful candidate will be expected to participate in and complete the West Coast Chamber Leadership program if hired.

The candidate will be expected to make contact and establish a working relationship with leaders of the Airport Authority's member communities within the first year of employment.

The candidate will work diligently and creatively in finding ways to diversify the airport's revenue streams.

**WORKING CONDITIONS:**

Typical office environment with occasional workout outdoors.

Occasional offsite travel for meetings, with travel expenses covered by the Airport Authority.

May 22, 2023

To: West Michigan Airport Authority

From: Jennifer Orme, City of Holland Human Resources Director

Lynn McCammon, City of Holland Finance Director

Re: Airport Director Pay Scale

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The West Michigan Airport Authority (WMAA) Director's employment contract expires in December 2023. At the February 13, 2023 meeting, the board approved the creation of an Ad Hoc Committee to review the Airport Director's current contract and seek feedback from board members through a structured evaluation process. The committee was also tasked with reviewing the pay scale structure as part of the contract revision process. To assist with the process the board also approved contracting with the City Human Resources Director and City Finance Director for assistance with the pay scale structure analysis.

Current Contract:

The full-time Airport Director position was established in late 2020. The current contract does not include a specified pay scale, but instead referenced a starting salary of \$78,000 (section 4.A) and the following for annual increases (section 4B):

- The Authority agrees that Employee's annual salary shall be increased by the increase in the Consumer's Price Index, All Items Index, Urban Wage Earners ("CPI") calculated on the anniversary date of Employee's Agreement.
- An addition to the CPI adjustment, the Authority may, at its discretion, pay an amount to Employee based upon the Authority's evaluation of Employee and his performance of stated goals and objectives of the Authority during the evaluation period ("Performance Payment"). In no event shall the Performance Payment exceed 8% of the Employee's annual salary after CPI adjustment.

In accordance with the contract language, the Airport Director received the following increases:

- CPI 2022 (7.85%) = \$6,126
- Performance Payment 2022 (8.0%) = \$6,730

The salary for 2022 increased \$12,856 for a new salary of \$90,856.

- CPI 2023 (6.50%) = \$5,906
- Performance Payment 1.0% = \$968

The salary for 2023 Payment increased \$6,874 for a new salary of \$97,730.

## Pay Scale Basics:

Pay scales are commonly used in local government entities. A pay scale is established based on a number of “steps”, or advancements. When hired an employee will begin at a step that is consistent with their qualifications. On the work anniversary, if an employee meets or exceeds performance objectives the employee advances to the next step of the pay scale. Once the employee is at the last step, the employee no longer receives an annual performance increase.

Many local governments also offer a Cost-of-Living Adjustment (COLA) each year intended to provide an increase in salary representative of the increased cost of living. The COLA is applied to the existing pay scale. Therefore, when an employee is at the last step, the employee still receives an increase for COLA.

Pay scales enhance cost control and budgetary planning by eliminating discretionary increases that are far higher than necessary. This process also increases transparency and consistency and helps assure employees are paid fairly in comparison to their benchmark group.

## Airport Director Pay Scale:

To develop a pay scale for the Airport Director position, the ad hoc committee performed the following:

- Reviewed documentation from the establishment of the position that provided a beginning salary for the range. The position was advertised at an annual salary of \$70,000 to potential candidates.
- Reviewed City of Holland pay scale range, which is a total of 6 steps and 20% total increase.
- Contacted several benchmark airports/entities and conducted a wage analysis to determine the market rate for this position. The average salary of an Airport Director (or Airport Manager) from the information collected was \$93,714.
- To determine an appropriate COLA increase, the committee discussed tying the COLA to the annual COLA adjustment for property tax calculations as published by the Michigan State Tax Commission. The committee felt this would be appropriate given property taxes are the largest revenue source for the operational costs.

Based on this information, the pay scale would be as follows:

Proposed Wage Table 2 - Based on CPI tied to Property Tax Increase <sup>(a)</sup>							
	COLA	1 (Start) <sup>(b)</sup>	2 (1 Year)	3 (2 Year)	4 (3 Year)	5 (4 Year)	6 (5 Year) <sup>(c)</sup>
1/1/2021		70,000	72,800	75,712	78,740	81,890	85,166
1/1/2022	3.30%	72,310	75,202	78,210	81,339	84,592	87,976
1/1/2023	5.00%	75,926	78,963	82,121	85,406	88,822	92,375

Notes:

<sup>(a)</sup> Proposed contract includes annual CPI adjustment (COLA) measured as the Inflation Rate Multiplier as calculated by the Michigan Department of Treasury for property tax Headlee millage reduction fraction formula

<sup>(b)</sup> Beginning step reflects advertised starting rate for the position

<sup>(c)</sup> Step range from beginning to end is 20%, consistent with City of Holland step, or 4%/year for 5 years

The highlighted cells indicate the Airport Director started at step 4 and would have progressed to step 5 on 1/1/2022 and step 6 on 1/1/23 for a total salary of \$92,375.

**West Michigan Regional Airport**  
**Management Staff Performance Evaluation**

Name of Employee: \_\_\_\_\_

Job Title: \_\_\_\_\_

Department: \_\_\_\_\_

Date of Evaluation: \_\_\_\_\_

Rating Period: \_\_\_\_\_

Type of Evaluation: (    ) Annual  
                                   (    ) Special  
                                   (    ) Other

Far Exceeds Requirements  
 Exceeds Requirements  
 Meets Requirements  
 Below Requirements  
 Well Below Requirements

Performance was consistently well beyond requirements.  
 Performance consistently exceeded responsibilities, standards and objectives.  
 Performance consistently met with majority of responsibilities, standards and objectives.  
 Performance frequently did not meet requirements.  
 Performance consistently fell below requirements

**General Performance Factors**

**1. Administration**

- a. Execution of programs, plans, issues and policies and grants.
- b. Coordination with other departments, officials and agencies.
- c. Accurate and timely reporting.
- d. Effective monitoring of department operations.
- e. Works to expand and diversify revenue sources for the airport.
- f. Oversees personnel management functions.
- g. Effectively manages the Airport emergency operation plan.

\_\_\_\_\_

**Comments:**

10	9	8	7	6	5	4	3	2	1	0
Far Exceeds Req		Exceeds Req		Meets Req		Below Req		Well Below Req		

**2. Financials & Budgeting**

**Comments:**

- a. Management of budget/finances.
- b. Knowledge of accounting and budget management principles and practices.
- c. Knowledge and ability to carry out preparation of applications for Federal and State financial aid and grants for airport expansion or improvement program.
- d. Oversee the annual budget and executes approved budget.  
     necessary and review financial statements and reports.
- e. Oversee Federally and State funded local airport

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- improvement projects including vetting of construction bids, and overseeing construction projects to ensure that projects are completed in a sound financial manner.
- f. Ability to make recommendations regarding fees, rentals rates, and user fees for airport facilities. Ability to manage the development of contracts and leases with concessionaires.
- g. Initiates, prioritizes and coordinates the planning, financing, design and construction and remodeling of airport facilities, including field, terminals, lighting, control system, building, parking and related facilities.

10	9	8	7	6	5	4	3	2	1	0
Far Exceeds Req		Exceeds Req		Meets Req		Below Req		Well Below Req		

### 3. Authority Communications

#### Comments:

- a. Ability to make recommendations to the Authority. based on sound reasoning.
- b. Able to execute Authority policy into practice.
- c. Ability to comprehend new policies, procedures and organizational changes.
- d. Effectiveness of expression in meetings, before groups or in one-on-one situations for clarity, persuasiveness, composure, understandability, preparation.
- e. Ability to provide pertinent information necessary to establish airport polices and procedures.
- f. Ability to update Authority on financial, personnel, airport/aviation developments, tenant, and operational changes and make recommendation for course of action in timely manner.

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10	9	8	7	6	5	4	3	2	1	0
Far Exceeds Req		Exceeds Req		Meets Req		Below Req		Well Below Req		

### 4. Leadership

- a. Has strong ability to make decisions and take action.
- b. Responds to unexpected situations.
- c. Effectively prioritizes and manage staff time.
- d. Provides clear guidelines and expectations for completion of projects and tasks.
- e. Effectively predicts both long and short-term needs.
- f. Listens for understanding, support and action.
- g. Recognizes future needs and opportunities.
- h. Leads effective meetings.
- i. Makes themselves available for feedback.

Comments: \_\_\_\_\_

\_\_\_\_\_

10	9	8	7	6	5	4	3	2	1	0
Far Exceeds Req		Exceeds Req		Meets Req		Below Req		Well Below Req		

## 5. Problem Solving/Judgement

### Comments:

- a. Application of commons sense, logic and decision-making principles.
- b. Recognition of problems.
- c. Ability to define problems and alternatives.
- d. Assembly of data.
- e. Analytical ability.
- f. Sound decisions/logic.
- g. Recognition, appropriate responses to problems.

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10	9	8	7	6	5	4	3	2	1	0
Far Exceeds Req		Exceeds Req		Meets Req		Below Req		Well Below Req		

## 6. Adaptability to change

### Comments:

- a. Receptiveness to new ideas and approaches.
- b. Adaption and appropriate responses to changing demands and expectations.
- c. Demonstration of flexibility.
- d. Willingness to accept direction and authority of others.

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10	9	8	7	6	5	4	3	2	1	0
Far Exceeds Req		Exceeds Req		Meets Req		Below Req		Well Below Req		

## 7. Planning/Organization

### Comments:

- a. Meets deadlines.
- b. Sets clear goals and objectives.
- c. Plans effectively.
- d. Establishes priorities and process.
- e. Ability to organize effectively.
- f. Recognition of limiting factors.
- g. Attention given to detail.
- h. Provides ample time to prepare for meetings.

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10	9	8	7	6	5	4	3	2	1	0
Far Exceeds Req		Exceeds Req		Meets Req		Below Req		Well Below Req		

## 8. Professional Presentation

### Comments:

- a. Conducts self in a professional manner.
- b. Effective at building positive community relationships.
- c. Presentation of proper image.
- d. Is available and responsive to stakeholders.

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10	9	8	7	6	5	4	3	2	1	0
Far Exceeds Req		Exceeds Req		Meets Req		Below Req		Well Below Req		

## 9. Technical Knowledge

### Comments:

- a. Knowledge of field and facility.
- b. Possesses technical expertise to fulfill responsibilities.
- c. Solid understanding of airport fundamentals.
- d. Remains up to date on developments in field.
- e. Knowledge of broader functional area.
- f. Awareness of industry best practices.

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10	9	8	7	6	5	4	3	2	1	0
Far Exceeds Req		Exceeds Req		Meets Req		Below Req		Well Below Req		

## 10. Communication/Written and Oral

- a. Ability to communicate in clear and concise format.
- b. Effectiveness of expression in meetings, before groups or in one-on-one situations.
- c. Is prepared, organized and accurate in communication.
- d. Serve as a liaison for the airport to state, federal and local transportation officials.

10	9	8	7	6	5	4	3	2	1	0
Far Exceeds Req		Exceeds Req		Meets Req		Below Req		Well Below Req		

## 12. Problem Analysis and Judgement

### Comments:

- a. Ability to secure necessary and relevant information.
- b. Identify probable causes and solutions.
- c. Interpretation and practical application of technical or professional concepts.
- d. Able to do relevant research.
- e. Development of alternative solutions.

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10	9	8	7	6	5	4	3	2	1	0
Far Exceeds Req		Exceeds Req		Meets Req		Below Req		Well Below Req		

## West Michigan Airport Authority

60 Geurink Boulevard, Holland, MI 49423  
P (616) 355-1363

*Comprising City of Zeeland, Park Township and City of Holland*



June 21<sup>st</sup>, 2023

### Report 5

**To:** West Michigan Airport Authority Board.

**From:** Aaron Thelenwood, Authority Director.

**Subject:** Approval of Hangar Sale between FlightLevel Aviation and 3303 John F Donnelly Dr. and hangar sublease agreement between John F. Donnelly Dr. and Av Flight.

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FlightLevel Aviation has been serving as the Fixed Base Operator (FBO) at West Michigan Regional Airport since 2021 after procuring Tulip City Air Service DBA Flyby Air from Terry Boer. During this time FBO Staff (formerly Mike Krzciok now Tyler Vandenbrand) have also been serving as the Assistant Airport Manager.

Alan Radlo (Owner) and Peter Eichleay (President) have been working to transfer ownership to Av Flight, one of the premier FBO service providers in the nation. On June 12<sup>th</sup>, 2023, the Airport Authority Board Approved the transfer of the FBO and related service agreements from FlightLevel to AV Flight.

In addition to the agreements, 3303 John F. Donnelly Dr. will be purchasing the current FBO Hangar and subleasing space in the hangar to Av Flight for their operations. Attached are the following agreements:

- Hangar Purchase Agreement between FlightLevel and 33.03 John F Donnelly Dr
- Asset Purchase Agreement between FlightLevel and 33.03 John F Donnelly Dr
- Hangar License Agreement (Sublease)
- Draft Ground lease between the Airport Authority and John F Donnelly Dr.

Under the terms of these agreements collectively, 3303 John F Donnelly Dr (Mr. Fogg) will be purchasing both the current "FBO Hangar" and the assets contained within. Av Flight will sublease space within the hangar for the storage of aircraft and other related operations. Mr. Fogg will also operate maintenance services within the hangar under the entity Tulip City Air Repair.

## Adjusted to prioritize CIP Projects

CPI (per Bureau of Labor Statistics Forecast)	6.3%	3.0%	2.5%	2.5%	2.5%	2.5%
**Note: Property Tax increase capped at lessor of 5% or CPI						

## West Michigan Airport Authority

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Additionally, Av Flight will hold the lease for the apron area directly south of the hangar which is atypical for airport authority leases; usually, the hangar and the apron are held together under the same lease. However, if ownership of either the hangar or the FBO should change, the Authority will require provisions that ownership of the apron returns back under the hangar ground lease.

### **Recommendation**

The Board's Recommendation is contingent on the following conditions being met prior to execution of any final agreements:

1. Approved Transition plan is received by the Authority
2. All relevant insurance requirements are met by Av Flight and documented to the Authority.
3. Legal fees and costs incurred by the Authority related to the transfer be reimbursed to the Authority.

### **It is recommended:**

1. That the Authority Board approve the:
  - a. Hangar Purchase Agreement between FlightLevel and 33.03 John F Donnelly Dr
  - b. Asset Purchase Agreement between FlightLevel and 3303 John F Donnelly Dr.
  - c. Hangar License Agreement (Sublease)
  - d. Draft Ground lease between the Airport Authority and John F Donnelly Dr.
2. The Agreements are subject to final approval as to form by the Authority's Attorney and contingent on the conditions above having been met.
3. The Agreements are contingent on the final closing of the agreements presented to the Board on June 12<sup>th</sup>, 2023 related to the FBO transfer.
4. The Airport Authority's Attorney will provide a status update to the Board regarding the transfer at the **July 10<sup>th</sup>, 2023** Board Meeting.

*The West Michigan Airport Authority will provide the public with state-of-the-art global air access to strengthen the local economy and improve the area's quality of life.*

## **West Michigan Airport Authority**

60 Geurink Boulevard, Holland, MI 49423

P (616) 355-1363

*Comprising City of Zeeland, Park Township and City of Holland*



5. That Board Chairperson be authorized to sign the Agreements on behalf of the Authority.

### **Attachments:**

1. Hangar Purchase Agreement between FlightLevel and 33.03 John F Donnelly Dr
2. Asset Purchase Agreement between FlightLevel and 33.03 John F Donnelly Dr.
3. Hangar License Agreement (Sublease)
4. Draft Ground lease between the Airport Authority and John F Donnelly Dr.

*The West Michigan Airport Authority will provide the public with state-of-the-art global air access to strengthen the local economy and improve the area's quality of life.*

## **AGREEMENT FOR PURCHASE AND SALE OF HANGAR**

**THIS Agreement for Purchase and Sale of Hangar** ("Agreement") is made effective on June 6, 2023, by and between ARR Aviation BIV, LLC, a Massachusetts limited liability company, whose address is 12 Black Rock Drive, Hingham, MA, 02043 ("Seller"), and 3303 JOHN F. DONNELLY DRIVE, LLC, a Michigan limited liability company, of 135 Elberdene Street, Holland, Michigan 49424 ("Buyer"). In consideration of the mutual covenants herein contained, IT IS AGREED:

1. **Agreement.** Seller owns a hangar at the West Michigan Regional Airport (the "Hangar"), which is located at 170 Geurink Blvd., Holland, Michigan, on real property owned by the City of Holland and leased to the West Michigan Regional Airport Authority, a community airport authority formed under Act 206 of the Public Acts of 1857, whose address is 60 Geurink Blvd, Holland, MI 49423 ("Airport Authority"). The legal description for the property on which the Hangar is located is attached on Exhibit A (hereinafter called the "Property"). The Airport Authority leases the Property to Seller pursuant to that certain Land Lease dated February 16, 2022 (the "Master Lease"). Seller agrees to sell and Buyer agrees to purchase the Hangar, upon the terms and conditions in this Agreement. The parties acknowledge that Buyer is entering into a lease for the Property authorizing it to use and occupy the Property (the "Sublease").

2. **Purchase Price.** The purchase price for the Hangar shall be [REDACTED]

3. **Title Insurance.** Seller shall furnish to Buyer, at Seller's expense, a commitment for a policy of title insurance insuring Buyer's interest as assignee of the Sublease, with leasehold owner's endorsement, in the amount of the purchase price of the Hangar showing Seller to have title, subject to conditions set forth in the following paragraph 4, committing the title insurance company to issue, upon conveyance of the Hangar, a title insurance policy insuring such Buyer's interest as assignee of the Sublease, subject to standard ALTA title exceptions, in Buyer in the amount of the purchase price. The initial title insurance commitment shall be updated through date of closing and recordation of the conveyance. The owner's title insurance policy that will be issued pursuant to this title commitment will contain an ALTA 13 Leasehold Owner's Endorsement.

4. **Conditions on Conveyance.** The conveyance shall be subject to encumbrances, conditions, covenants, easements, restrictions and rights-of-way, whether or not of record, affecting the Hangar, Sublease and Property, and such matters as might be disclosed by inspection or survey and to zoning ordinances and other laws, ordinances and regulations applicable to the Hangar, Sublease and Property, including but not limited to FAA and MDOT rules and regulations.

5. **Condition of Hangar.** The Hangar, including the fixtures thereon, has been fully inspected by the Buyer. Buyer is not relying upon any representation by the Seller to Buyer concerning the state or condition of improvements, or their age or any other matter concerning them, oral or in writing, as an inducement to the making of this Agreement. Buyer acknowledges Buyer is taking the Hangar "AS IS" and assumes all responsibility for the condition of the Hangar, whether known or not, but Buyer is not assuming any responsibility for the condition of the real property located beneath the Hangar.

6. **Personal Property.** The purchase price shall not include any personal property or equipment now located on the Property. Any personal property of Seller now located on the Property is being purchased under a separate agreement by Tulip City Air Repair, Inc.

7. **Item to be Completed before Closing.** The conveyance is subject to and contingent upon approval by the Airport Authority, including approval of either a Sublease between the new FBO and the Buyer by the Airport Authority or approval of a direct land lease to the Buyer from the Airport Authority. To the extent necessary, Buyer and Seller agree to work together to obtain approval from the Airport Authority no later than June 30, 2023.

8. **Closing.** This transaction for the purchase and sale of the Hangar shall be closed at a title company or other mutually acceptable location as Buyer and Seller may agree, following receipt of Airport Authority approval, and either simultaneously with the sale of Seller's FBO assets to AvFlight Holland Corporation, or otherwise on or before June 30, 2023. The risk of loss shall transfer to the Buyer at closing, regardless of when possession is delivered. The parties to this Agreement shall each in good faith comply with applicable laws concerning the completion of the closing of the sale and purchase of the Hangar. Failure of either party to so comply will entitle the other party to declare a breach of this Agreement by the party failing to comply and the provisions of this Agreement concerning default may be invoked.

9. **Delayed Closing.** If the closing of the sale is delayed by reason of delays in title work, or title defects which can be readily corrected, or delays in achieving approval of the Airport Authority, then an extension consistent with the length of such delay shall be allowed for closing.

10. **Delivery of Bill of Sale and Payment of Purchase Price.** At closing, Buyer shall pay to Seller in immediately available funds via wire transfer, the purchase price, less credits reflected on a closing statement in conformance with this Agreement; and, simultaneously, Seller shall deliver an executed Bill of Sale, conveying title to the Hangar, subject to easements and restrictions of record, conditions that would be disclosed by an accurate survey or inspection of the Hangar, standard ALTA title exceptions reflected in the title insurance commitment, and any lien for taxes not yet billed.

11. **Costs.** The Seller shall pay for any fee to record any document to clear title, the owner's policy of title insurance, transfer taxes, and one-half (1/2) of any closing fee charged by the title company. Buyer shall pay for any fee to record the deed and one-half (1/2) of any closing fee charged by the title company.

12. **Possession.** Seller shall deliver possession to Buyer as of the closing.

13. **Real Estate Taxes.** Seller shall pay all real property taxes billed against or with respect to the Hangar during the calendar year 2022 and all prior years. All real property taxes billed against or with respect to the Hangar during the calendar year 2023 shall be prorated on a calendar year basis to the date of the closing. If either of the 2023 real property tax bills have not been issued as of the closing date, and if insufficient information is available to estimate the amount of the 2023 real property taxes, then for the purposes of calculating this proration, the 2023 real property taxes shall be assumed to be in the same amount as the corresponding tax bills issued in the calendar year 2022. Buyer shall pay any real property taxes billed with respect to the Hangar thereafter.

14. **Assessments.** Seller shall pay at or before closing, all assessments which are due or are a lien against the Hangar arising during the period of Seller's ownership, regardless of whether the assessments would otherwise be payable in installments. Buyer shall be responsible for all assessments first assessed after the date of closing.

15. **Division Rights.** There will be no division rights included under Section 108(2), or Section 108(3), of the land division act, Act No. 288 of the Public Acts of 1967.

16. **Commissions.** The parties represent to one another that no brokers are involved in this transaction who are entitled to a commission. If any broker makes a claim for payment in connection with this transaction against a party that had not retained the broker, the party that had retained the broker shall indemnify and hold harmless the other party from any amount the other party may be required to pay to the broker, and, without limitation, the legal costs and reasonable attorneys' fees expended to defend against such claim.

17. **Time of the essence.** Time is of the essence in the performance of this Agreement.

18. **Entire Agreement.** This Agreement contains all the representations and statements by each party to the other and expresses the entire understanding between the parties with respect to the transactions contemplated. All prior communications concerning the subject matter are merged in and replaced by this Agreement.

19. **Enforceability of this Agreement.** This Agreement shall be binding upon and specifically enforceable by the parties hereto and their heirs, personal representatives, administrators, successors and assigns. This Agreement may be signed in counterparts and signatures transmitted by electronic or digital communication shall be deemed to be original. This Agreement shall be effective when signed by both parties, with the date of this Agreement being the date the latter to sign has signed and delivered a signed original to the other party.

The parties hereto have executed this Agreement effective as of the day and year first written above.

ARR AVIATION BIV, LLC  
By: ARR Aviation III, LLC, its Manager

Dated: June 6, 2023

\_\_\_\_\_  
By: Alan R. Radlo Its:  
Manager

"Seller"

3303 JOHN F. DONNELLY DRIVE, LLC

Dated: June 6, 2023

By: \_\_\_\_\_  
Benjamin J. Fogg, Manager

"Buyer"

**Exhibit A**

Part of the Southwest 1/4 of Section 8, Town 4 North Range 15 West, City of Holland, Allegan County, Michigan described as beginning at a point distant from the West 1/4 corner of Section 8, South 01 degree 52 minutes East 711.97 feet along the West line of Section 8; thence North 88 degrees 08 minutes 00 seconds East 697.33 feet; thence North 78 degrees 59 minutes 03 seconds East 23.91 feet; thence South 11 degrees 00 minutes 57 seconds East 349.34 feet; thence South 78 degrees 59 minutes 03 seconds West 245.28 feet to the point of beginning of this description and proceeding thence South 78 degrees 59 minutes 03 seconds West 187.14 feet; thence North 02 degrees 42 minutes 28 seconds West 329.89 feet; thence North 88 degrees 08 minutes 00 seconds East 141.38 feet; thence South 10 degrees 59 minutes 39 seconds East 303.95 feet to the point of beginning.

## ASSETS PURCHASE AND SALE AGREEMENT

This agreement is entered into effective as of June 6, 2023, by and between ARR Aviation BIV, LLC, a Michigan limited liability company, whose address is 12 Black Rock Drive, Hingham, MA, 02043 ("Seller"), and TULIP CITY AIR REPAIR, INC., a Michigan corporation, of 135 Elberdene Street, Holland, Michigan 49424 ("Buyer") (collectively, the "parties"), with respect to the following facts and circumstances:

- A. The Seller currently is the fixed based operator at West Michigan Regional Airport ("Airport"), and on the date hereof, the Seller has entered into an agreement for the sale of a hangar building at the Airport (the "Hangar") to 3303 John F. Donnelly Drive, LLC, which is an affiliated entity and under common ownership with the Buyer.
- B. The Buyer desires to purchase, and the Seller desires to sell and transfer, the equipment and other airplane service and repair business parts, supplies, materials and other tangible personal property located in the Hangar.

The parties, therefore, each in consideration of the acts and promises of the other, and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, agree as follows:

Section 1. Acquisition and Transfer of Assets and Properties. On the terms and subject to the conditions set forth in this agreement, the Seller shall transfer and convey to the Buyer, and the Buyer shall acquire from the Seller, all of the equipment and other airplane service and repair business parts, supplies, materials and other tangible personal property located in the Hangar, and which is more fully described on the attached Exhibit A (the "Property"). The parties agree that all personal property currently in the Hangar is being purchased and no items will be removed.

Section 2. Purchase Price; Payment. The purchase price for Property shall be [REDACTED]. The purchase price for the Property shall be paid in immediately available funds by wire transfer at the Closing.

Section 3. No Assumption of Liabilities. The parties acknowledge and agree that this transaction is the purchase of tangible personal property only, and that the Buyer is not purchasing any business operation of the Seller. The Seller hereby acknowledges and agrees that the Buyer is not assuming any liabilities or obligations of the Seller of any nature or accepting any contingent liability of the Seller to any party with respect to the Seller's operation of an airplane repair and service business.

Section 4. Closing. The acquisition and transfer of the Property shall be consummated at a closing ("Closing") to be held simultaneously with the purchase and sale of the Hangar on or before June 30, 2023 ("Closing Date"). The purchase and sale of the Property shall be effective immediately following the Closing. The Closing shall take place at any location mutually acceptable to the parties or by exchange of executed documents

necessary to complete the transaction along with authorization of the wire transfer to complete payment of the purchase price.

(a) Closing Obligations of Seller. At the Closing, the Seller shall deliver or cause to be delivered to the Buyer the following documents:

- (1) A Bill of Sale with respect to the Property;
- (2) Releases of any liens or security interests on the Property; and
- (3) Any other documents necessary to convey ownership of the Property to the Buyer.

The Seller, at any time after the date hereof, agrees to execute, acknowledge, and deliver any further assignments, conveyances and other documents and instruments of transfer reasonably requested by the Buyer to complete the purposes of this agreement, and to transfer possession to the Buyer of the Property. At the Closing, the Seller shall transfer to the Buyer full possession and enjoyment of the Property.

(b) Closing Obligations of Buyer. At the Closing, the Buyer shall deliver or cause to be delivered to the Seller the following:

- (1) Evidence that the wire transfer of the closing proceeds has been initiated;
- (2) Any other documents necessary to complete the transactions contemplated in this Agreement.

Section 5. Representations and Warranties of the Seller. The Seller hereby represents and warrants to the Buyer, as of the date hereof, as follows:

(a) Organization and Authority. The Seller is a Michigan limited liability company, duly organized, validly existing, and in good standing under the laws of the State of Michigan and authorized to conduct business in Michigan. The execution, delivery, and performance by the Seller of this agreement and the related documents to be delivered at the Closing shall have been duly authorized by its Members and this agreement is valid and enforceable against the Seller in accordance with its terms.

(b) Title. The Seller owns, possesses, and has good and absolute title to the Property free and clear of all liens, encumbrances, security interests, mortgages, actions, claims, or demands whatsoever, except those which will be released at Closing.

Section 6. Condition of Property. If the contingencies contained in this Agreement for the Buyer are all satisfied and this transaction proceeds to closing, then the Buyer agrees to accept the Property in its present "as is" condition.

Section 7. Survival of Representations and Warranties. All representations and warranties made herein by the Seller shall survive the Closing and shall remain in effect for a period of three years from the Closing Date.

Section 8. Brokers' Commissions. Neither the Seller nor the Buyer shall be responsible for the payment of any brokers' commissions or any other fees to any agent of the other party as a result of this transaction, and each party shall indemnify the other party against such liability.

Section 9. Default. If either party fails to comply with any term or condition of this agreement, and if such failure is not cured within 30 days after notice thereof to the defaulting party, then that party shall be deemed in default hereunder, and the other party may assert any remedy available in law or in equity.

Section 10. Assignability. Neither party shall assign any portion or all of this agreement without the prior written consent of the other party. This agreement and all of its provisions shall be binding upon, inure to the benefit of, and be enforceable by and against the respective successors and permitted assigns of the parties.

Section 11. Notices; Confidentiality. All notices required to be given or appropriate under this agreement shall be deemed to be given when delivered personally to the parties or upon the mailing by first class U.S. mail or nationally recognized overnight courier service with delivery tracking to the parties at their addresses listed above. Except as required by law, no public announcements shall be made by any party with respect to the terms and conditions of this transaction, and neither party shall disclose any information concerning the parties to, or the terms and conditions of, this agreement.

Section 12. Construction of Agreement. This agreement contains the entire agreement between the parties and supersedes any prior understandings or agreements between them respecting the subject matter hereof. No changes in the terms of this agreement shall be made or be binding unless made in writing by the parties. The captions at the beginning of each section of this agreement are not a part of this agreement and shall be ignored in its interpretation. Each pronoun shall include any gender, neuter, or number thereof as the identity of its antecedent may require. This agreement may be executed in multiple counterparts and each executed counterpart shall be considered as an original of this agreement. This agreement shall be interpreted and governed by the laws of the State of Michigan, but not including the application of any Michigan conflicts of law rules. If any provision of this agreement is held to be invalid, the remaining provisions of this agreement shall remain in full force and effect.

The parties hereto have signed this Agreement effective on the date first set forth above.

SELLER:

ARR AVIATION BIV, LLC

By: ARR Aviation III, LLC, its Manager

\_\_\_\_\_  
By: Alan R. Radlo Its: Manager

BUYER:

TULIP CITY AIR REPAIR, INC.

By: \_\_\_\_\_  
Benjamin J. Fogg, President

## EXHIBIT A

### Equipment and Personal Property

#### BIV Maintenance Assets

##### Hangar

- 3 24-volt power carts.
- 1 laptop and printer.
- 3 cowling racks
- 2 engine hoists. (Cherry pickers)
- 10 aircraft jacks. (8 short, 2 tall)
- 2 tail weights
- 1 joint use tool box with partial set of tools.
- 1 oxygen cart (5 leased bottles and 1 owned regulator)
- 1 nitrogen cart (2 leased bottles and 2 owned regulators)
- Several ladders and 2/3 steps
- Battery bench
- Sandblaster
- Spark plug cleaner
- Drill press
- Large belt sander
- Grinder
- Vertical band saw
- Small hydraulic mule
- Tow dolly for aircraft on runway with flat tire
- Engine stand
- 5 folding tables. 4 plastic 2 wood/steel
- Several brooms and dust pans

##### Parts room

- Computer & printer
- 2 filing cabinets
- 4 cabinets with doors
- 10 parts shelves
- 2 small parts bins (bins for small parts, the bins themselves are large)

##### First tool room

- 3 racks
- 1 work table with vise
- 1 rack of hardware.
- Leased parts cleaner
- 1 Paint cabinet with old cans of paint
- Rivet rack with Rivet tools and rivets
- Battery cart.
- 5 rolling work carts
- 2 shelves with misc. fluids and parts

##### Second tool room

- 3 cabinets with doors
- 3 racks
- Aircraft scales (to weigh aircraft)
- 80-90 percent of the shop hand specialized and calibrated tools
- Tire pressure gauges
- Compression testers

- Volt meters
- Torque wrenches
- Drill bit sets
- Borescopes
- Specialized pullers, extractors, measuring devices
- Digital angle protractor
- Aircraft heater decay tester
- Helicoil tool and heli coils
- Airconditioning service cart with R34 and R12 supply
- 1 quality digital battery charger
- 1 quality battery capacity checker
- Various electric drills, sanders, buffers etc
- Dye penetrant nonferrous crack check kit
- Continental fuel flow checker (cheap homemade unit)
- Riv nut tool kit
- Pressure and vacuum gauges (6 total)
- Alternator checker
- Insulation checker
- Magneto timing tool
- Spark plug holding racks (4 each)
- Aircraft jack pad sets (6 different aircraft types)
- Calibrated spring scale
- 2 calibrated small weight scales
- Soldering iron kits (2 each)
- Cable tension checkers, calibrated (3 different tools/ranges)

#### Garage area

- Grill
- Oil drain buckets and pans (6 buckets, 3 drain pans)
- Floor jack
- Mezzanine
- Sheet metal shear
- Sheet metal brake
- Lathe
- Engine stand X 2
- 6 parts racks
- Tire rack
- Supply of Scatt tubing
- Supply of aircraft hose and electrical wire
- Considerable supply of out-of-date aircraft and aircraft engine maintenance and parts manuals
- Shipping boxes, various sizes
- Sheet metal roller tool
- Large supply of removed aircraft parts, many have little to no value
- Some specialized King air tools for stabilizer motor speed and travel checks. Appear homemade.

#### Main office

- 2 PC computers, 1 new, 1 old.
- 3 laptops (1 barely functions)
- Victor's lap top.
- Large Ricoh Printer/scanner
- 3 small printers (cheap units)
- Office is outfitted with 35-year-old Herman Miller cabinets and office furniture. Scrap value when replaced.
- 3 office chairs
- 2 731 Honeywell engine DEEC download harnesses in specialized travel boxes
- Various office supplies, staplers, 3 ring punch tools, paper cutters etc

## **HANGAR LICENSE AGREEMENT**

**THIS HANGAR LICENSE AGREEMENT** (this “**License Agreement**”), dated \_\_\_\_\_ (the “**Effective Date**”), is between 3303 John F. Donnelly Drive, LLC, a Michigan limited liability company, with an address of 135 Elberdene Street, Holland, Michigan 49424 (“**Licensor**”), and AVFLIGHT HOLLAND CORPORATION, a Michigan corporation, with an address of 47 W. Ellsworth Rd., Ann Arbor, MI 48108 (“**Licensee**”). Licensor and Licensee shall sometimes hereinafter be referred to individually as a “**Party**” or collectively as “**Parties**.”

**WHEREAS**, the Licensee and the West Michigan Airport Authority (“**WMAA**”) entered into the GROUND LEASE, dated as of June \_\_\_\_, 2023 (the “**Master Lease**”) for Licensee’s facilities at the West Michigan Regional Airport (the “**Airport**”);

**WHEREAS**, the Licensor and Licensee entered to that SUBLEASE AGREEMENT of even date herewith (the “**Sublease**”), pursuant to which the Licensor, as subtenant, will lease and occupy certain land at the Airport (the “**Subleased Premises**”);

**WHEREAS**, the Licensor has purchased an airplane hangar and office space (the “**New Hangar**”) located on the Subleased Premises;

**WHEREAS**, the Licensor owns and operates additional hangars at the Airport (the “**Additional Hangars**”); and

**WHEREAS**, Licensor and Licensee have agreed that Licensor will grant a license to Licensee under which Licensee may temporarily occupy space in the New Hangar and Additional Hangars (collectively, the “**Hangars**”) that the Parties, from time to time, agree upon (“**Licensed Hangar Space**”) for the purpose of storing aircraft in conjunction with Licensee’s operations as an FBO at the Airport;

**NOW THEREFORE**, in consideration of the mutual covenants and agreements herein contained, the Parties hereto agree as follows:

1. **LICENSE**. Licensor grants Licensee a personal and non-transferable license to occupy the Licensed Hangar Space solely for the purpose of storing aircraft in conjunction with Lessee’s operations as a fixed-base operator (“**FBO**”) at the Airport; provided, however, that Licensee may sublicense use of the Licensed Hangar Space in the ordinary course of its FBO operations. When Licensee has an aircraft that it wishes to store or becomes aware of a future storage need, Licensee shall inform Licensor of the needed space and duration and Licensor shall promptly provide its consent (which consent shall not be unreasonably withheld, conditioned, or delayed) and identify the space that shall be Licensed Hangar Space for the specific storage need (each approved individual storage need, an “**Approved Storage**”); for avoidance of doubt, the Parties expressly waive compliance with the Notices provision herein with respect to the foregoing communications. To the extent that the specific details of any Approved Storage change, Licensor agrees to make commercially reasonable efforts to accommodate Licensee’s customer. Notwithstanding the foregoing, for a period of two (2) years, beginning on the Effective Date (the “**Guaranteed Hangar Space Period**”), the Licensor shall reserve at least three thousand square feet

(3,000 sq. ft.) of the Hangar<sup>s</sup> for Licensee's use as Licensed Hangar Space which Licensee may use without seeking consent as provided herein and as more particularly shown on Exhibit A (the "Guaranteed Licensed Hangar Space"). Licensee shall have the right to extend the Guaranteed Hangar Space Period by additional one (1) year periods by providing written notice of such extension to Licensors no fewer than thirty (30) days prior to the end of the Guaranteed Hangar Space Period or each applicable one (1) year extension. Licensee shall manage the storage of aircraft at the Licensed Hangar Space under the applicable guideline of an FBO and in accordance with all applicable laws, rules and regulations; provided, however, that Licensee shall be under no obligation to store aircraft on the Licensed Hangar Space. Subject to the terms of this License Agreement, Licensee shall at all times during the Term of this License Agreement keep the Licensed Hangar Space in a clean, neat and safe manner while using the Licensed Hangar Space. All agents, employees and invitees of Licensee while on the Licensed Hangar Space will observe all reasonable and non-discriminatory rules and regulations which Licensors may reasonably prescribe. The Licensed Hangar Space does not include the exterior walls, the roof, the area above or below the Licensed Hangar Space, the common areas, or the land upon which the Licensed Hangar Space and Hangars are located; provided, however, that Licensors grants Licensee and its agents, employees, and invitees the right of ingress and egress to the Hangars from public roads and airside.

2. **TERM AND TERMINATION.** Unless this License Agreement is earlier terminated pursuant to the terms hereof, the right granted to Licensee in paragraph 1, above, shall commence on Effective Date and continue through the expiration or early termination of the Master Lease or, if earlier, the date that Licensee delivers written notice of termination to Licensors which shall be effective upon delivery ("**Term**").

3. **FEES.**

(a) **Guaranteed Hangar Space Fee.** During the Guaranteed Hangar Space Period, including any extension thereof, Licensee shall pay to the Licensors \_\_\_\_\_ per year, payable in twelve equal monthly installments on or before the fifth day of each month during the Guaranteed Hangar Space Period (the "**GHS Fee**").

The GHS Fee will be adjusted as of the first anniversary of the Effective Date and as of each anniversary of the Effective Date thereafter during the Term by reference to the Consumer Price Index-All Urban Consumers as reported by the U.S. Department of Labor – Bureau of Labor Statistics (the "CPI") by means of the following formula:

$$\text{Adjusted GHS Fee} = \text{Previous Scaled GHS Fee} \times \frac{\text{Adjustment CPI}}{\text{Base CPI}}$$

For such purposes, the "**Adjustment CPI**" is the CPI reported for the April immediately preceding the adjustment date and the "**Base CPI**" is the CPI reported for April of 2023.

(b) **License Fee.** Licensee shall pay Licensors a license fee equal to sixty (60%) Percent of all hangar rent actually collected by Licensee for aircraft stored in the Licensed Hangar Space for the preceding calendar month (the actual amount for a given month, the "License Fee") per month during the Term for using the Licensed Hangar Space. The License Fee shall be

payable, in arrears, on or before the fifth day of the month during the Term starting with the second month of the Term. For the avoidance of doubt, upon termination of this License Agreement, the final License Fee payment payable hereunder shall be payable after termination and be based on the rent actually collected by Licensee for the month preceding termination.

4. **AIRCRAFT MOVEMENT.** During the Term, if Licensor requests aircraft movement requiring a powered tug, Licensor shall pay Licensee a fee of Sixty-Five Dollars (\$65) per hour for Licensee's performance of such service (the "**AM Fee**"). ~~Avflight-Licensee~~ will invoice and collect from the ~~Customer-Licensor~~ for the ~~GHSAM~~ Fee.

The AM Fee will be adjusted as of the first anniversary of the Effective Date and as of each anniversary of the Effective Date thereafter during the Term by reference to the CPI by means of the following formula:

$$\text{Adjusted AM Fee} = \text{Previous Scaled AM Fee} \times \frac{\text{Adjustment CPI}}{\text{Base CPI}}$$

5. **DELIVERY & IMPROVEMENTS.**

(a) **Delivery.** Licensor shall deliver the Licensed Hangar Space to Licensee when as required hereunder. Licensor represents and warrants that: (i) the Licensed Hangar Space shall comply with all laws, regulations, or ordinances, with all terms of the Master Lease and the Sublease; and (ii) there are no hazardous materials or environmental conditions on, about or adjacent to the Licensed Hangar Space and the Licensed Hangar Space is in compliance with all applicable legal requirements relating to pollution, human health, employee health and safety, the protection of the environment, and governing the handling, use generation, treatment, disposal, manufacture, distribution, formulation, packaging, labeling, release of or exposure to a hazardous substance. Licensee shall only be liable for those environmental conditions which come into existence on the Licensed Hangar Space on or after the Effective Date and which are based on Licensee's acts or omissions with respect to the Licensed Hangar Space.

(b) **Licensee Improvements.** Licensee shall not be allowed to make improvements to the Licensed Hangar Space and shall ensure that no liens are placed on the Hangars.

(c) **Installation.** The Licensee shall not install any fixtures or make any improvements or modifications to the Licensed Hangar Space without Licensor's prior written consent, which may be withheld in Licensor's reasonable discretion.

6. **USE.** Licensee shall use the Licensed Hangar Space for the purpose of storing aircraft in conjunction with Licensee's operations as an FBO at the Airport. Licensee shall not use or permit the Licensed Hangar Space or any part thereof to be used for any purposes other than for aeronautical purposes and storage use and in compliance with the Master Lease and Sublease and all applicable city, state, federal, including but not limited to FAA codes or restrictions and for no other use.

7. **LICENSOR'S ACCESS & OBLIGATIONS.**

(a) Licensors and Licensors' employees, representatives, and agents may enter the Licensed Hangar Space at all reasonable hours upon twenty-four (24) hours' notice (and in emergencies, at all times and without notice) without diminution or abatement of the License Fee and without liability to Licensee, to: (a) inspect the Licensed Hangar Space; (b) make repairs, additions or alterations to the Licensed Hangar Space, the Hangars or any property owned or controlled by Licensors; (c) serve or post any notice required or permitted under the provisions of this License Agreement or by law; (d) cure any event of default by Licensee or to exercise any remedy of Licensors available for an event of default; (e) show the Licensed Hangar Space to prospective new tenants, development partners and/or prospective purchasers or lenders with respect to the Hangar, and (f) for any other lawful purpose.

(b) Licensors shall continuously furnish and shall be responsible for the payment of all charges for all utilities services provided to the Licensed Hangar Space during the Term of this License Agreement which utilities shall include, without limitation, water, sewer, gas, and electricity. Licensors shall be responsible for and shall pay all expenses relating to all maintenance, repairs and replacements required during the Term of this License Agreement to the Licensed Hangar Space and the Hangar and all common areas serving the Hangar except for and only to the extent that such maintenance, repairs and replacements are required as a result of the negligent or intentional misconduct of the Licensee. Licensors shall secure and maintain at its expense insurance against damage to or destruction of the Hangar and the Licensed Hangar Space and shall be the "loss payee" for such insurance.

8. **INDEMNIFICATION.** EXCEPT AS OTHERWISE PROVIDED IN THIS LICENSE AGREEMENT, EACH PARTY (THE "INDEMNIFYING PARTY") AGREES TO INDEMNIFY AND TO HOLD HARMLESS THE OTHER PARTY AND THE OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS OF THE OTHER PARTY (THE "INDEMNIFIED PARTIES") FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, LOSSES, LIABILITIES, CAUSES OF ACTION, COSTS OR EXPENSES (INCLUDING ATTORNEY'S FEES) OF WHATSOEVER NATURE WHICH ARE ASSERTED AGAINST OR INCURRED BY ANY INDEMNIFIED PARTY AS A RESULT OF THE BREACH BY THE INDEMNIFYING PARTY OF ITS OBLIGATIONS UNDER THIS LICENSE AGREEMENT OR AS A RESULT OF ANY WRONGFUL ACT OR OMISSION OF THE INDEMNIFYING PARTY OR OF ANY OFFICERS, DIRECTORS, EMPLOYEES OR AGENTS OF THE INDEMNIFYING PARTY. ANY AMOUNT PAYABLE BY THE INDEMNIFYING PARTY UNDER THIS SECTION SHALL BE DUE WITHIN TEN (10) DAYS AFTER WRITTEN DEMAND AND ANY SUCH AMOUNT WHICH IS NOT PAID WHEN DUE SHALL BEAR INTEREST FROM THE DUE DATE TO THE DATE OF PAYMENT AT THE RATE OF 18% PER ANNUM (OR, IF LESS, AT THE MAXIMUM RATE OF INTEREST PERMITTED UNDER THE LAWS OF THE STATE IN WHICH THE INDEMNIFYING PARTY HAS ITS PRINCIPAL PLACE OF BUSINESS). WITHOUT LIMITING THE ABOVE PROVISIONS, THE OBLIGATION OF THE INDEMNIFYING PARTY UNDER THIS SECTION SHALL INCLUDE ANY REASONABLE ATTORNEY'S FEES OR OTHER COSTS INCURRED BY THE INDEMNIFIED PARTIES IN ENFORCING THE OBLIGATION OF INDEMNITY UNDER THIS SECTION. EACH PARTY'S OBLIGATION TO INDEMNIFY SHALL SURVIVE THE TERMINATION OF THIS LICENSE AGREEMENT AND SHALL REMAIN IN FULL FORCE AND EFFECT UNTIL THE LAPSE OF ALL APPLICABLE STATUTES OF

LIMITATIONS OR SIMILAR TIME PERIODS WITHIN WHICH AN ACTION FOR INDEMNITY OR CONTRIBUTION MUST BE BROUGHT.

9. **INSURANCE.**

(a) Licensee shall, at all times during the term of this License Agreement, and at its own cost and expense, procure and continue in force the following insurance coverage:

(i) Bodily Injury and Property Damage Liability insurance with a combined single limit for bodily injury and property damage of not less than \$1,000,000.

(ii) Fire and Extended Coverage Insurance, including vandalism and malicious mischief coverage, in an amount equal to the full replacement value of all fixtures, furniture and improvements installed by or at the expense of Licensee.

(b) Licensor shall, at all times during the Term of this License Agreement, procure and continue in force the insurance coverage required under the Sublease and the coverage specified in Section 6(b).

**Commented [RH1]:** Is this reference to 6(b) in the sublease? Or should this be changed to 9(a)?

10. **LICENSEE'S PROPERTY LEFT AFTER EXPIRATION.** If any personal property (including trade fixtures) of Licensee are left on the Licensed Hangar Space following the expiration of the Term, Licensor may, in addition to all other rights and remedies available to Licensor, treat such property as abandoned by Licensee and, at Licensor's option and without any further notice to Licensor, may, from time to time, sell all or any portion of such property and retain all of the proceeds of sale without any accounting to Licensee or Licensor may store all or any portion of such property, on or off of the Licensed Hangar Space, in Licensee's name and at Licensee's expense. Licensee agrees to pay such amounts to Licensor within ten (10) days of receipt of an invoice from Licensor.

11. **DAMAGE, DESTRUCTION, OR CONDEMNATION.** If the Licensed Hangar Space shall be damaged (in whole or in part), destroyed or condemned (in whole or in part), then Licensee may immediately terminate this License Agreement and, upon termination, neither Party shall have any continuing obligations or liabilities to the other, other than payment of the License Fee by Licensor to Licensee for any period that the License Fee was earned.

12. **ASSIGNMENT.** Except for sublicensing hangar space to customers which is expressly permitted pursuant to the terms of this License Agreement, Licensee may not assign its interest in this License Agreement or the Licensed Hangar Space. Any attempted assignment or sublicense in contravention of this License Agreement will be void, will confer no rights upon any third person and will constitute an event of default under this License Agreement entitling Licensor to immediately terminate this License Agreement.

13. **COMPLIANCE WITH LAWS.** Each Party agrees throughout the Term to comply with all laws, ordinances, orders, rules, regulations and requirements of all governmental authorities having jurisdiction over the Licensed Hangar Space. Licensee agrees to cause and require any sublicensee and customers to comply with all laws, ordinances, orders, rules, regulations and requirements of all governmental authorities having jurisdiction over the Licensed Hangar Space.

14. **TAXES.** Licensee agrees to pay all taxes and assessments against all of Licensee's personal property, trade fixtures, and all use, license, unemployment, social security and withholding taxes and all other taxes and expenses incidental to Licensee's use of Licensor's property. Licensee agrees to provide and pay for its own employee and merchandise and workers' compensation insurance covering all persons engaged in Licensee's business. Licensor agrees to pay all taxes and assessments for which Licensee is not responsible under this Section including, without limitation, all taxes and assessments against the Hangars and the Licensed Hangar Space and all of Licensor's personal property, fixtures, and all use, license, unemployment, social security and withholding taxes and all other taxes and expenses incidental to the ownership of Licensor's property. Licensor agrees to provide and pay for its own employees, merchandise and workers' compensation insurance covering all persons engaged in Licensor's business.

15. **INTERFERENCE WITH USE.** Except as permitted under this License Agreement, each Party agrees that it will not exercise its rights under this License Agreement in such a manner as to materially interfere with the other Party's use of the Hangars.

16. **RELATIONSHIP BETWEEN THE PARTIES.** Nothing herein shall be deemed to create the relationship of principal agent, or partnership or joint venture or any association between Licensor and Licensee other than the relationship of Licensor and Licensee.

17. **DEFAULT.** In case: (a) either Party shall default in their performance of any covenants or agreements herein contained and such default continues for fifteen (15) days after receipt by the defaulting Party of written notice thereof; or (b) Licensor is in default under any other agreement between Licensee and Licensor, or Licensor and Avfuel Corporation, an affiliate of Licensee, subject to all applicable cure periods; then the non-defaulting Party may declare this License Agreement terminated. Any such action by a Party shall not be a bar to any other legal remedies available to such Party. No waiver by a Party of any breach of the other Party's covenants herein contained be construed as a waiver of any subsequent breach of the same or of any other covenants he imposed on the other Party. Neither Party shall be held to be in breach of this License Agreement because of any failure to perform any of its obligations hereunder if said failure is caused by or results from acts beyond the impacted Party's reasonable control, including, without limitation, the following force majeure events: (a) acts of god; (b) flood, fire, earthquake or explosion; (c) war, invasion, hostilities (whether war is declared or not), terrorist threats or acts, riot or other civil unrest; (d) actions, embargoes or blockades in effect on or after the date of this License Agreement; (e) action by any governmental authority; (f) national or regional emergency; (g) strikes, labor stoppages or other industrial disturbances; (h) epidemic, pandemic or similar influenza or bacterial infection (which is defined by the United States Center for Disease Control as virulent human influenza or infection that may cause global outbreak, or pandemic, or serious illness); (i) emergency state; (j) shortage of power or transportation facilities; and (k) other similar events beyond the reasonable control of the impacted Party or Parties.

18. **APPLICABLE LAW.** This License Agreement is made under and shall be interpreted in accordance with the laws of the State of Michigan.

19. **NOTICES.** Any notice permitted or required under this ~~Sublease~~-License Agreement shall be in writing and shall be deemed delivered as follows: if by personal delivery, on the date of personal delivery to the addressee; if by courier delivery, on the date of confirmed delivery to the address of the addressee as set forth in the preamble to this ~~Sublease~~-License Agreement; and if by mail, on the third (3<sup>rd</sup>) business day following the date of deposit with the U. S. Postal Service, postage prepaid, to the address of the addressee as set forth in the preamble to this ~~Sublease~~-License Agreement. Either party, by notice delivered to the other party in the manner prescribed above, may change its address for purposes of future notices.

20. **COUNTERPARTS.** This License Agreement may be executed in two or more counterparts, each of which shall be an original, and all of which, taken together, shall constitute one and the same License Agreement.

21. **ENTIRE AGREEMENT.** This \_\_\_\_ (\_\_) page document, plus any exhibits attached hereto, constitutes the entire agreement between the Parties with respect to the Licensee's use and occupancy of the Licensed Hangar Space. All prior agreements between the Parties with respect to the Licensed Hangar Space, whether written or oral, shall be of no further force or effect. The terms of this License Agreement shall not be amended and this License Agreement shall not be cancelled unless by a document which is in writing and signed by both Parties.

**IN WITNESS WHEREOF**, the Parties hereto have entered into this License Agreement of the day and year first written above.

Licensor:

3303 JOHN F. DONNELLY DRIVE, LLC  
a Michigan limited liability company

By: \_\_\_\_\_  
[Name]  
[Title]

Licensee:

AVFLIGHT HOLLAND CORPORATION,  
a Michigan corporation

By: \_\_\_\_\_  
[Name]  
[Title]

EXHIBIT A

Guaranteed Licensed Hangar Space

**GROUND LEASE**  
**between**  
**WEST MICHIGAN AIRPORT AUTHORITY**  
**and**  
**3303 JOHN F. DONNELLY DRIVE, LLC**

This Ground Lease (“Lease”) is made as of this \_\_\_\_ day of June, 2023, between the **WEST MICHIGAN AIRPORT AUTHORITY**, a Michigan Community Airport Authority formed in accordance with Act 206 of the Public Acts of 1957, as amended, MCL 259.621 ("Lessor"), and **3303 JOHN F. DONNELLY DRIVE, LLC**, a Michigan limited liability company ("Lessee"), with reference to the following:

Background

Lessor holds an interest in the property described in this Lease, pursuant to the terms of a ground lease dated March 26, 2012 (the “Master Lease”) between the City of Holland (the holder of fee title to the property) and Lessor as the ground lessee. The Master Lease grants Lessor the right to enter into land leases for the operation of the West Michigan Regional Airport and to receive revenues derived from those land leases.

Agreement

In consideration of their mutual covenants, the parties agree as follows:

1. **Premises Leased.** The Lessor hereby leases to the Lessee the following described premises located at 170 Geurink Drive, Holland, Michigan, being a part of the West Michigan Regional Airport (the “Airport”), located in the County of Allegan, State of Michigan, which is depicted on the attached **Exhibit A** as the “Maintenance Facility” (the “Demised Premises”), consisting of 83,000 square feet. The Lessor warrants that it is the holder of the leasehold rights as ground lessee under the Master Lease and that it possesses the legal authority to lease the Demised

Premises in the manner provided herein. Lessee agrees that its interest in the Demised Premises shall be subordinate at all times to the Master Lease.

2. **Term.** The Lessee shall have and hold the Demised Premises for a term beginning on the \_\_\_\_ day of June, 2023 (the “Commencement Date”) and expiring on the \_\_\_\_ day of June, 2063, inclusive (unless the term shall be sooner terminated as hereinafter provided, pursuant to Sections 18 and 19), upon the terms, covenants and conditions hereinafter contained.

The Lessee shall have the privilege of using, for the term of this Lease and any extensions thereof, in common with others and the public, the public flying field of the Airport, subject to the charges, rules and regulations governing such field issued by the Federal and State Aeronautical Agencies and by the Lessor, and any other agency or entity which may have jurisdiction, in whole or in part, over the Airport..

3. **Option to Renew.** The term of this Lease may be extended, subject to Lessor’s approval, for one (1) additional term of thirty (30) years under the following terms:

A. Written notice of the exercise of this option must be given by Lessee to Lessor not less than 180 days prior to the expiration of the initial term. The Lessor shall endeavor to notify the Lessee when the initial term of this Lease shall expire; however, the failure to provide such notification shall not relieve the Lessee of its requirement to strictly comply with the notice requirements of this paragraph. In addition to the notice to exercise this option, the Lessee shall submit to the Lessor the last complete income and financial statement of the Lessee prepared prior to the notice of exercise. The Lessor may request further financial documentation from the Lessee in conjunction with the renewal.

B. Lessee shall not be permitted to renew this Lease if, at the time of exercise,

Lessee shall be in default of any term, condition, or agreement set forth in this Lease beyond any applicable cure period.

C. The renewal of this Lease shall be subject to negotiations between Lessor and Lessee regarding the rental to be paid by Lessee to Lessor during the renewal term (however, in no event shall the rent to be paid during the renewal term be less than the amount paid at the end of the initial term). In addition, Lessee shall be responsible for any additional terms, conditions, and agreements reasonably required by Lessor relating to the operation of the Airport and consistent with its ground lessees with other lessees at the Airport.

D. During the term of this Lease and any renewal thereof, the Lessee shall continue all financial security required by the Lessor. Lessor may require such documentation and additional financial security if Lessor determines that Lessee is undercapitalized to perform the terms and conditions of the Lease.

E. The Lessor and Lessee acknowledge that the condition, maintenance, and repair of the building and improvements are significant to the image of the Airport. At the time the option to renew by Lessee is exercised, Lessee shall have removed, replaced or restored the hangar facilities and buildings incidentally related thereto located on the Demised Premises (however, this condition may be waived by Lessor, in Lessor's sole judgment and determination, based upon an application and supporting documentation submitted by the Lessee requesting to waive this condition); and such other terms, conditions, and agreements necessitated by the extension of the Lease term.

4. **Rental.** The Lessee shall pay to the Lessor as annual rental for the Demised Premises the sum of \$.3277 per square foot per year for a total annual amount of Twenty Seven Thousand One Hundred Ninety Nine and 10/100 Dollars (\$27,199.10), prorated on a daily basis

for any partial year, with the first such annual rental payment to be made on the Commencement Date and subsequent annual rental payments to be made on the same day of each successive year of the initial period.

It is understood and agreed that the above-stated annual rental payment is based upon a total rentable area of 83,000 square feet at the initial rate of \$.3277 per square foot.

The annual rent shall be adjusted each year commencing on June \_\_\_\_, 2024, and as of each and every June \_\_\_\_ thereafter in accordance with the increase in the Consumer Price Index ("CPI") applying the published CPI rate for May immediately prior to the adjustment date and for each subsequent adjustment date thereafter. If there is a decrease in the CPI for the adjustment period, the annual rent shall remain the same as previously determined until the next annual adjustment date. The annual rent shall be adjusted to an amount equal to the product obtained by multiplying the annual rent in effect for the immediately preceding 12-month period by a fraction, the numerator of which is the CPI for the year to be adjusted, and the denominator of which is the CPI for the prior 12th month period. If the CPI has not increased for the annual adjustment period, the annual rent for the next year of the Lease shall remain the same as the prior year's annual rent.

For the purpose of this Lease, the CPI means the Index for "All Items," for Urban Wage Earners and Clerical Workers Commodity Groups for the Detroit area as determined by the United States Department of Labor, Bureau of Statistics. Should the United States Government revise its price index at any time, the parties will follow such suggestions as the government may issue for making an arithmetical changeover from one index to another. Should the price index be wholly discontinued, then its successor or the most nearly comparable successor index thereto shall be used.

5.     **Sublease.** Lessee may sublet, subject to the written consent of the Lessor, all or any portion of the Demised Premises at any time and from to time to any other entity so long as the subtenant complies with the provisions of this Lease (to the extent they apply to the subtenant). Lessee acknowledges that it will notify any subtenant of the terms, conditions, and agreements of this Lease and shall incorporate by reference all requirements of this Lease in any agreement executed between Lessee and any subtenant. Lessee shall ensure that none of its subtenants uses the Demised Premises in a manner which would constitute a violation of any of the provisions of this Lease or any other lease or contract to which the Lessor is a party or the field rules and regulations of the Lessor. A sublease of the Demised Premises shall not release any financial security under the terms of this Lease.

6.     **Purposes for Which Demised Premises to be Used.** The Demised Premises are to be used by the Lessee for the following purposes only:

A.     As the site for an airplane hangar or hangars and for operation of an airplane service, repair, and maintenance facility for any airplanes using the airport. Subject to the terms, restrictions and requirements of Section 5 above, the Lessee shall have the right to sublease any part of the hangar placed on the Demised Premises. However, the Lessee shall ensure that none of its subtenants uses the Demised Premises in a manner which would constitute a violation of any of the provisions of this Lease or any other lease or contract to which the Lessor is a party, or the field rules and regulations of the Lessor.

B.     Any other uses for which the Lessor gives its written approval in its sole discretion.

7.     **Prohibited Uses of the Demised Premises.** The Demised Premises shall not be used by the Lessee for any of the following purposes:

- A. Passenger service, charter, and commercial operations;
- B. Sale of aircraft and accessories;
- C. Engaging in the business of aviation instruction;
- D. The sales or storage of aviation fuels or petroleum products, except as necessary for the airplane maintenance and service business;
- E. Any form of fixed based operation unless Lessee meets the minimum operating standards and requirements of the Lessor; or
- F. Any use not related to aeronautical activities.

8. **Conduct of Operations on Demised Premises.** In its use of the Demised Premises the Lessee will comply with the following requirements and regulations:

- A. The Lessee shall not consent to any unlawful use of the Demised Premises, nor permit any such unlawful use thereof.
- B. The Lessee further agrees that all Federal, State and local laws will be observed, including the rules and regulations of the Federal and State Aeronautical authorities and the local governing authority and Lessor, and any other agency or entity which may have jurisdiction, in whole or in part, over the Airport.
- C. The operations of the Lessee, its employees, invitees and those doing business with it shall be conducted in an orderly and proper manner and so as not to annoy, disturb or be offensive to others at the Airport. The Lessor shall have the right to complain to the Lessee as to the demeanor and conduct of the Lessee's employees, invitees and those doing business with it, whereupon the Lessee will take all steps necessary to remove the cause of the complaint.
- D. All rules and regulations of the Michigan State Fire Marshal shall be complied with by the Lessee in the conduct of its operations on the Demised Premises.

E. The Lessee agrees to pay all taxes, assessments, license fees or other charges levied or assessed on the buildings, structures or their contents during the term of this Lease or any renewal thereof.

F. The Lessee shall pay for water, gas, sewer charges and electrical current, telephone service and other utilities utilized or consumed on the Demised Premises.

G. The Lessee agrees at all times to keep the Demised Premises in a neat, clean and orderly condition, free of weeds, rubbish or any unsightly accumulations of any nature whatsoever.

H. The Lessee shall maintain the building and other improvements on the Demised Premises, including the apron area, in an attractive, well-maintained condition and repair which favorably reflects on the conditions and operations of the Airport. Lessee acknowledges that its building and improvements are some of the first visual improvements seen from the roadway entering the Airport and their condition, maintenance, and repair are significant to the image of the Airport. Upon 30 days notice by the Lessor that the buildings and other improvements are not being maintained as required by this paragraph, Lessee shall immediately submit a plan and timetable to commence and diligently complete the required maintenance and repair. The plan and timetable must be approved by the Lessor. If Lessee fails to perform the required maintenance and repair, Lessor may terminate this Lease and repair or demolish the buildings and other improvements on the Demised Premises. All costs incurred by Lessor for such demolition and repair (including attorneys fees) shall be paid by Lessee.

I. Lessee, its employees, agents, subtenants, or invitees shall not operate its aircraft in any manner to create or likely to create "jet blast" from the Demised Premises onto adjacent, adjoining, or nearby hangar properties.

J. Lessee shall be required to provide snow removal services to the Demised Premises. However, Lessee acknowledges that Lessor has entered into a Fixed Base Operator Agreement (“Agreement”) for the operation of the Airport. Pursuant to the terms of the Agreement, the Fixed Base Operator (“Operator”) is required to provide snowplowing on the Airport, and is authorized to charge third parties for such services pursuant to the terms of the Agreement. Lessee agrees to pay all charges, fees, and costs incurred by the Operator relating to the snowplowing for areas leased to Lessee pursuant to this Lease.

9. **Building.** The Lessee may, at its own expense, with the prior written consent of the Lessor, and in accordance with Lessor’s development, improvement and building standards, including the Airport Building Standards, now existing or hereafter amended, promulgated by Lessor (“Building Standards”), construct new facilities and make alterations, additions and improvements to the Demised Premises, including the demolition of all existing structures on the Demised Premises and the construction of one or more new buildings on the Demised Premises. Lessor shall grant its written consent to all alterations, additions, demolitions and improvements to the Demised Premises which meet the Building Standards. If there is any discrepancy or conflicting terms between the Lease and Building Standards, the Building Standards shall control. Any expenses incurred by the Lessor in its review and approval of any alterations, additions, demolitions and improvements to the Demised Premises, including without limitation engineering, architectural, site review, legal and other professional expenses, shall be reimbursed by Lessee to the Lessor upon reasonable written demand from the Lessor. All such alterations, buildings, hangars or improvements shall be and remain the personal property of the Lessee throughout the term of this Lease, or any extension thereof.

The Lessee shall have the privilege of removing any or all of the buildings, alterations, additions, hangars or improvements placed on the Demised Premises, at any time prior to the expiration of this Lease, or any extension thereof, provided that on such removal the Lessee shall restore the Demised Premises to a graded and level condition and neat appearance. No building, hangar, or other improvements may be removed by the Lessee, unless replaced, until all rents due have been paid to date. If the Lessee does not intend to remove the aforesaid alterations, additions, hangars, buildings or improvements prior to the end of the term of this Lease, it shall give written notice of this fact to the Lessor at least sixty (60) days prior to such termination, in which case the Lessor may, at its discretion: (i) order the Lessee to remove any or all such alterations, additions, hangars, buildings, or improvements, or (ii) Lessor may, at its sole and complete discretion, require that the additions, hangars, buildings, or improvements remain and the Lessor shall pay to the Lessee a mutually agreed cost. Failure on the part of the Lessee to comply with such order to remove shall entitle the Lessor to cause to have any or all said alterations, additions, hangars, buildings, or improvements removed, and the cost of such removal (including attorneys fees) shall become the obligation and the responsibility of the Lessee, or at the discretion of the Lessor, the alterations, additions, hangars, buildings may be allowed to remain in place and shall thereupon become the sole property of the Lessor without reimbursement to Lessee.

Lessee shall not permit any construction liens or similar liens ("Liens") to remain upon the Demised Premises for labor or materials furnished to Lessee or claimed to have been furnished to Lessee in connection with work of any character performed or claimed to have been performed at the direction of Lessee, and shall cause any such Liens to be released of record, or bonded at Lessee's election within ninety (90) days without cost to Lessor. Lessee agrees to indemnify, defend and save Lessor harmless from any Liens, including related costs, expenses, liabilities or

claims (including reasonable attorneys' fees) which may be incurred by or asserted against Lessor in conjunction with such Liens or securing release of such Liens. Upon surrendering the Demised Premises, the Lessee shall surrender possession to the Lessor free and clear of any encumbrances, excepting those placed thereon by the Lessor.

10. **Access Roads, Taxiways, and Ramp Areas.**

A. Lessee shall provide access to the Demised Premises during the term of this Lease. Lessor shall be responsible to pay for all ongoing maintenance, upkeep, and repair of the access drive during the term of this Lease or any renewal thereof (except for damages which may be caused by Lessee, its employees, agents, or contractors).

B. Lessee hereby agrees that it shall be responsible for all maintenance, upkeep, and repair of its access roads, taxiways, and ramp and apron areas for all portions located inside the Demised Premises. All maintenance, upkeep, and repair shall be in accordance with any federal, state, or local requirements. In the event Lessee should fail to comply with the provisions of this paragraph, Lessor may enter on the access roads, taxiways, and ramp and apron areas to perform necessary maintenance, upkeep, and repair and assess Lessee the cost therefor.

C. During the term of this Lease and any renewal thereof, the Lessee agrees that the area designated as the apron area on the attached Exhibit A shall be available to permit other aircraft to taxi over for their flight operations.

11. **Compliance with Rules and Regulations.** The Lessee shall construct all buildings and all improvements on the Demised Premises in accordance with all applicable state and city ordinances, and regulations adopted for the operation of the Airport, including regulations of the Michigan State Fire Marshal and any other applicable state, county, and local laws, ordinances, and regulations.

At any time during the term of the Lease, the Demised Premises, buildings, and improvements located thereon, shall be subject to the inspection, upon reasonable prior written notice, and approval of the Michigan State Fire Marshal, the City of Holland, and the Lessor, and any other representatives of interested State, county, or local governments as specified above.

The Lessee agrees, during the term of the Lease, to comply with all laws, local, State, and Federal, including all building codes, pertaining to sanitation, health, police and fire protection relating to Lessee's activities on the Demised Premises. In the event it is necessary for Lessee to connect to water, storm and sanitary sewer, gas or electrical lines or facilities, the Lessee shall be responsible for the cost of the connection and utility installations, and for the cost of extending such utilities from their present termination point outside the Demised Premises to any building or buildings upon the Demised Premises.

12. **Insurance.** Insurance for loss by fire and extended coverage shall be kept and maintained on all buildings and improvements located on the Demised Premises by the Lessee in such amount as Lessee determines to be appropriate, and with such insurance company or companies as are approved by the Michigan Insurance Bureau. In the event of loss by fire, hail, or windstorm, the proceeds from such insurance shall be used by the Lessee to repair or replace such loss, or the Lessee shall demolish the building and improvements so damaged and restore the Demised Premises to a graded level and neat appearance. A casualty loss of the hangar, building, or other improvements on the Demised Premises shall not terminate this Lease unless the Lessor and Lessee agree in writing that due to the circumstances of the loss that the Lease will be terminated.

Further, the Lessee shall procure, keep and maintain during the term of this Lease, and any renewal thereof, insurance policies providing public liability and property damage insurance of

not less than \$1,000,000.00 each occurrence/\$1,000,000.00 aggregate for property damage and of not less than \$1,000,000.00 each occurrence/\$1,000,000.00 aggregate for comprehensive general liability. The policies shall cover losses caused by the acts and omissions of the Lessee, its agents and employees, or by the operation of vehicles or other equipment owned or operated by the Lessee, its agents or employees. The Certificate of Insurance of Lessee shall name the City of Holland, Lessor, and their officials, board members, officers, agents, and employees as additional insureds for required coverage for public liability, and a Certificate of Insurance shall be filed with the Lessor upon the commencement of this Lease. The Certificate of Insurance shall waive subrogation against the additional insureds. As to all insurance required under this section, the Lessee shall give the Lessor sufficient evidence in writing that each and every such coverage has been issued by an insurance company or companies as are approved by the Michigan Insurance Bureau. The Lessee agrees to defend and hold the Lessor harmless from any claim, suit, or processes of any nature, including reasonable attorney fees and costs, whatsoever arising out of this Lease. The agreement to defend and hold harmless shall be in effect even though the Lessee has obtained the various insurance policies hereinabove stated. During the term of this Lease, the amounts and levels of insurance may be increased by Lessor based upon revised insurance requirements and specifications which shall apply to all entities subject to a ground lease at the Airport.

13. **Compliance with Federal Agreements.** This Lease shall be subordinate to the provisions of any existing or future agreement between the Lessor 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 development of the Airport; provided, however, that any right, title, and interest of the Lessee in the Demised Premises

(including any improvements made by Lessee to the Demised Premises) shall not be taken without just compensation therefor being first made. In addition, the Lease shall be subject to the following:

A. This Lease shall be subordinate to the provisions of any existing or future agreement between the Lessor 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 development of the Airport.

B. 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, so long as the changes do not interfere with access to the Demised Premises from the landing area of the Airport as determined by Lessor.

C. 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 Airport which, in the reasonable opinion of the Lessor, would limit the usefulness of the Airport or constitutes a hazard to aircraft.

14. **Right-of-Way for Ingress and Egress, Parking, Fencing.**

A. The Lessee, its agents, licensees, invitees, sub-tenants and employees to Lessee shall have the non-exclusive right and privilege to use the service roads (including Geurink Boulevard) to the Demised Premise for purposes of ingress and egress during the term of this Lease, in common with others.

B. The Lessee shall provide parking facilities upon the Demised Premises with the Lessee being responsible for all maintenance, all snow removal, and repair relating to such parking facilities.

C. In case it shall become necessary to reconstruct, replace, or relocate any existing fence to accommodate the Demised Premises of Lessee; construct any fences for the protection of the public using the Airport as a public facility; or the construction is deemed necessary by the Lessor to preserve substantial uniformity of appearance of all fencing and buildings at the Airport, or to provide privacy to the Lessee at the Demised Premises; or if Federal authorities require the construction thereof, such fence shall be reconstructed, replaced, relocated, and erected at the Lessee's sole expense, and only after approval and consent is had from the Lessor as to location and type of fencing. Any fencing shall be consistent with the Building Standards. Upon the giving of notice by the Lessor to the Lessee, in writing, requesting that fencing be erected on the Demised Premises, the Lessee shall erect such fencing as soon as possible and maintain the same in good repair and condition at all times in accordance with the request made by the Lessor. If the Lessor, pursuant to the terms of this paragraph, requests the Lessee to remove existing fencing or construct fencing relating to the development of the Demised Premises, the Lessee shall comply with such demand and shall pay the costs thereof.

15. **Signs.** The Lessee shall have the right to erect a building identification sign, consistent with the Building Standards, upon the exterior of the buildings on the Demised Premises or in the front yard area thereof. No other signs or advertising matter shall be painted, posted or displayed upon any portion of the Demised Premises, including upon the buildings and structures placed thereon, without the written consent of the Lessor, which consent shall not be unreasonably withheld.

16. **Mortgage by Lessee.** The Lessee may place a mortgage upon any and all buildings located on the Demised Premises or Lessee's leasehold interest under this Lease for the purposes of securing a loan or loans, and the Lessee shall notify the Lessor in writing of the name and

address of the lender prior to the placement thereof. Any mortgage placed on the Demised Premises shall be subordinate to this Lease and the interest of the Lessor. Lessor, in its sole discretion, may require the Lessee to secure a subordination agreement, in a form acceptable to the Lessor, from its mortgage lender, confirming the subordination of the lender's interest to the interest of Lessor. Any notice of default in the terms of the Lease served upon the Lessee by the Lessor shall also be served upon the mortgage lender, and the mortgage lender shall have a like opportunity to cure such defect as the Lessee may have.

17. **Late Rental Payments.** If, during the term of this Lease, the Lessee shall be late in making rental payments or any other payments as provided herein, within thirty (30) days after the the payment is due, the Lessee shall pay, and the Lessor shall receive, a service charge of one and one half percent (1.5%) per month of the late rental payment or other charge until the amount is paid. This shall be in addition to any other rights reserved to the Lessor or existing in the Lessor by virtue of the laws of the State of Michigan.

18. **Default and Termination.** The Lessor and the Lessee agree that this Lease shall terminate at the expiration of the term herein specified. Further, upon the breach by the Lessee of any of the terms and conditions herein, the Lessor shall give written notice to the Lessee and a period of thirty (30) days from the date of the notice to cure such breach. If the breach constitutes an emergency condition as determined by Lessor, the period to cure shall be five (5) business days from the date of the notice to cure or according to another time period approved in writing by the Lessor. If the breach is not timely cured by the Lessee as provided in this paragraph (or if the breach cannot be cured within the thirty (30) day period, if Lessee does not commence curing the default within the thirty (30) day period and thereafter diligently prosecute it to completion), this Lease may be deemed forfeited by the Lessee and cancelled by the Lessor, upon the receipt by the

Lessee of an additional notice in writing of such cancellation from the Lessor. Lessee shall pay reasonable costs and attorney fees incurred by Lessor in connection with the termination, cancellation, and forfeiture of the Lease.

Upon termination, cancellation or forfeiture of the Lease, Lessee and any guarantor of the Lease shall remain liable for any unpaid rent, expenses, or costs to be paid by Lessee to Lessor during the remaining term of this Lease.

19. **Notice of Termination – Lessor.** In addition to the provisions of this Lease relating to termination as are set forth in section 18 above, the Lessor may terminate and cancel this Lease if it is unable to operate the Airport, and is required to reimburse the United States of America, the State of Michigan, or such other federal or state entities or agencies for monies received or accepted for the acquisition of the Airport. Notice of termination shall be sent at least 180 days prior to the effective date of the cancellation to Lessee. Upon expiration of the notification, the rental amount paid during the final year of the Lease shall be prorated and the balance reimbursed to the Lessee. Lessor shall incur no further liability to Lessee, and this Lease shall be null and void. Upon termination pursuant to this paragraph, the Lessee may attempt to negotiate the purchase of the Demised Premises from the City of Holland, including a non-exclusive right of ingress and egress to the Demised Premises at the fair market value as determined by the City of Holland and Lessee. The purchase by Lessee from the City of Holland shall be permitted only if all of the following conditions are met:

A. Lessee shall not be in default (beyond any applicable cure period) pursuant to any of the terms, conditions, and agreements of this Lease;

B. The right to purchase is determined to be valid and permitted pursuant to the rules and regulations of the Federal Aviation Administration (“FAA”), Michigan Aeronautics

Commission ("MAC"), or any other federal, state, or local agency empowered to administer and regulate the Airport;

C. Notice must be given by Lessee to Lessor at least 90 days before the termination of the Lease term;

D. The purchase by Lessee from the City of Holland must, in all respects, comply with the rules and regulations of the FAA, MAC, or any other federal, state, or local agency empowered to administer and regulate the Airport.

20. **Time of the Essence**. It is further understood and agreed that time is of the essence of this Lease.

21. **Eminent Domain**. If all of any portion of the Demised Premises shall be taken by any governmental authority under power of eminent domain:

A. All damages awarded as compensation for the taking or diminution in value to the buildings or improvements on the Demised Premises constructed by the Lessee shall belong to and be the property of the Lessee and any mortgagee thereof. The Lessee assumes full responsibility for taking whatever action it deems necessary to protect its interests in any proceeding for the condemnation of any part of his leasehold estate herein.

B. If only a part of the Demised Premises shall be so taken or condemned, the Lessee shall at its expense proceed to make a complete architectural unit of the remainder of the buildings on the Demised Premises; and, there shall be an abatement of the rental thereafter to be paid hereunder, corresponding with the proportion which the value of the portion of the Demised Premises so taken may bear to the value of the entire Demised Premises at the time of such taking.

C. If more than fifty percent (50%) of the Demised Premises shall be so taken, the Lessee may at its option terminate this Lease and all obligations hereunder.

22. **Quiet Enjoyment.** The Lessor covenants that the Lessee, upon paying the aforementioned rentals and performing all the covenants on its part to be performed hereunder, shall and may peacefully and quietly have, hold, and enjoy the Demised Premises for the term hereof.

23. **Assignment of Lessee Interest.** Lessee shall not assign or transfer this Lease, including the buildings or improvements thereon without the written consent of the Lessor, which shall not be unreasonably withheld.

24. **Memorandum of Lease.** The Lessor and the Lessee may execute a memorandum of this Lease for purposes of public record. The Lessee shall bear all costs with respect to preparing and recording the memorandum.

25. **Successors and Assigns.** The covenants, conditions, and agreements made and entered into by the parties hereto are binding upon the successors and assigns of the Lessor and upon the successors and assigns of the Lessee.

26. **Arbitration.** All claims or disputes arising out of or relating to this Lease, except those involving a third party who has not agreed to arbitration, shall be settled by arbitration in accordance with the commercial arbitration rules of the American Arbitration Association. Venue for such arbitration shall be in Holland, Michigan. Notice of demand for arbitration shall be filed in writing with the other party to the Lease and with the American Arbitration Association, and shall be made within a reasonable time after the claim or dispute has arisen. The award rendered by the arbitrators shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereon.

Except as written by consent of the person or entity sought to be joined, no arbitration arising out of or relating to the Lease shall include, by consolidation, joinder, or in any other

manner, any person or entity not a party to the Lease, unless it is shown at the time the demand for arbitration is filed that:

- A. Such person or entity is substantially involved in a common question of fact or law;
- B. The presence of such person or entity is required if complete relief is to be accorded in the arbitration; and
- C. The interest or responsibility of such person or entity in the matter is not insubstantial.

The agreement of the parties to arbitrate claims and disputes shall be specifically enforceable under the prevailing arbitration law. Pending final decision of the arbitrator or arbitrators, the parties shall proceed diligently with the performance of their obligations under this Lease.

27. Environmental Covenants. During the term of this Lease, Lessee represents and warrants to Lessor that:

A. Lessee shall keep or cause the Demised Premises to be kept free of hazardous materials, except to the extent that such hazardous materials are stored and/or used in compliance with all applicable federal, state, and local laws and regulations; and without limiting the foregoing, Lessee shall not cause or permit the Demised Premises to be used to generate, manufacture, refine, transport, treat, store, handle, dispose of, transfer, produce, or process hazardous materials except in compliance with all applicable federal, state, and local laws and regulations, nor shall Lessee cause or permit, as a result of any intentional or unintentional act or omission on the part of Lessee or any tenant, subtenant or occupant, a release, spill, or omission of hazardous materials onto the Demised Premises or onto any other contiguous property; and

B. Upon demand by Lessor, Lessee shall conduct and complete all investigations, including a comprehensive environmental audit, studies, sampling and testing, and all remedial, removal, and any other actions necessary to clean up and remove all hazardous materials on, under, from, or effecting the Demised Premises as required by all applicable federal, state, and local laws, ordinances, rules, regulations, and policies to the satisfaction of Lessor, and in accordance with the orders and directors of all federal, state, and local governmental authorities. If Lessee fails to conduct an environmental audit required by Lessor, then Lessor may, at its option and at the expense of Lessee, conduct such audit.

Subject to the limitations set forth below, Lessee shall defend, indemnify and hold harmless Lessor, its employees, agents, officers, directors, successors and assigns from and against any claims, demands, penalties, fines, liabilities, settlements, damages, costs, or expenses, including without limitation, attorneys and consultants fees, investigation and laboratory fees, court costs and litigation expenses (attorney's fees, court costs, and expert witness expenses shall be through all appellate, enforcement, or collection proceedings) known or unknown, contingent or otherwise, arising out of or in any way related, to:

(1) The presence, disposal, release, or threatened release of any hazardous materials on, over, under, from or effecting the Demised Premises or the soil, water, vegetation, buildings, personal property, persons, or animals;

(2) Any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such hazardous materials on the real estate;

(3) Any litigation commenced or threatened, settlement reached, or government order relating to such hazardous materials with respect to the Demised Premises; and

(4) Any violation of laws, orders, regulations, requirements or demands of governmental authorities or any policies or requirements or demands of governmental authorities or any policies or requirements of Lessor, which are based upon or are in any way related to such hazardous material used on the real estate.

For purposes of this paragraph “hazardous material” includes, without limitation, any flammable explosives, radioactive materials, hazardous materials, hazardous waste, hazardous or toxic substances or related materials defined in the Comprehensive Environmental Response, Confiscation and Liability Act of 1980, as amended (42 USC Section 96091, et seq.), the Resource Conservation and Recovery Act, as amended (42 USC Section 69091, et seq.) and any regulations adopted and publications promulgated thereto, or any other federal, state, or local governmental law, ordinance, rule, or regulation.

The provisions of this section shall be in addition to any and all obligations and liabilities of Lessee pursuant to this Lease and shall be in addition to such rights of Lessor under common law, and shall survive the termination of this Lease.

28. **Entire Agreement.** This Lease constitutes the entire understanding between the parties, and supersedes all prior independent agreements between the parties covering the subject matter thereof, including the Original Lease. Any change or modification hereof must be in writing, signed by both parties.

29. **Severability.** If a provision hereof shall be finally declared void or illegal by any court or administrative agency having jurisdiction, the entire Lease shall not be void, but the remaining provisions shall continue in effect as nearly as possible in accordance with the original intent of the parties.

30. **Notice.** Any notice given by one party to the other in connection with this Lease shall be in writing and shall be hand-delivered or sent by registered mail, return receipt requested, with postage prepaid, or sent by national overnight courier service, to:

West Michigan Airport Authority  
ATTN: Authority Manager  
60 Geurink Boulevard  
Holland, MI 49423  
Email address: [a.thelenwood@wmraa.org](mailto:a.thelenwood@wmraa.org)

3303 John F. Donnelly Drive, LLC  
ATTN: Benjamin J. Fogg  
135 Elberdene Street  
Holland, MI 49424  
Email address: [bfogg@foggholdco.com](mailto:bfogg@foggholdco.com)

Notice shall be deemed to have been given upon delivery if hand-delivered; two (2) business days following mailing, if sent by certified mail; and on the next business day, if sent by national overnight courier. In addition to the notice provided herein, the parties shall endeavor to email any notice to the other party at the email addresses stated above, but the failure to email notice shall not eliminate the required notice pursuant to this paragraph.

31. **Headings.** The headings used on this Lease are intended for convenience of reference only, and do not define or limit the scope or meaning of any provision of this Lease.

32. **Governing Law.** This Lease is to be construed and governed in accordance with the laws of the State of Michigan.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Lessor and the Lessee have signed this Lease the day and year first above written.

LESSOR:

WEST MICHIGAN AIRPORT AUTHORITY

By: \_\_\_\_\_

Title: \_\_\_\_\_

LESSEE:

3303 JOHN F. DONNELLY DRIVE, LLC

By: \_\_\_\_\_  
Benjamin J. Fogg

Title: Member

APPROVED AS TO FORM:  
WEST MICHIGAN AIRPORT AUTHORITY

By: \_\_\_\_\_

Ronald VanderVeen, Attorney

Date: \_\_\_\_\_, 202[\_\_]

## **UNCONDITIONAL GUARANTY OF GROUND LEASE**

THIS UNCONDITIONAL GUARANTY OF GROUND LEASE (the “Guaranty”) is made this \_\_\_\_ day of \_\_\_\_\_, 20[\_\_\_], by [\_\_\_\_\_] (the “Guarantor”), to and for the benefit of [\_\_\_\_\_] (the “Lessee”).

### **Background**

Lessee has entered into a Ground Lease with West Michigan Airport Authority (the “Authority”) dated the same date as this Guaranty (the “Ground Lease”). Guarantor is the [sole member] of Lessee.

### **Agreement**

In consideration of these interests and other benefits accruing to Guarantor, the receipt and adequacy of which are acknowledged, Guarantor enters into this Guaranty.

1. **Payments on Liabilities.** Guarantor, and [his/her/its] successors and assigns, jointly and severally, absolutely and unconditionally guarantee prompt payment when due, and at all times thereafter, of all indebtedness and obligations of Lessee under the Ground Lease or any related agreements (the “Liabilities”). All payments received from Lessee or on account of the Liabilities from any other source shall be taken and applied as payment in gross and this Guaranty shall apply to and secure any ultimate balance which shall remain owing to the Authority. The Authority shall have the exclusive right to determine how, when and what application of payments and credits, if any, shall be made on the Liabilities.

2. **Term of Guaranty.** Subject to the terms of Section 3 below, this Guaranty shall be a continuing, absolute and unconditional guaranty and shall remain in full force and effect until the Authority sends a written notice of termination to Guarantor.

3. **Extent of Liability.** If Lessee defaults in paying the Liabilities and fails to cure such default within any applicable grace periods, Guarantor, immediately upon the demand of the Authority, shall pay to the Authority the amount due and unpaid by Lessee as if such amount constituted the direct and primary obligation of Guarantor. Prior to any such demand on or payment by Guarantor, the Authority shall not be required to make any demand upon or pursue or exhaust any of its rights or remedies against Lessee or others with respect to payment of any of the Liabilities or to pursue or exhaust any of its rights or remedies with respect to any collateral for the Liabilities or this Guaranty. Guarantor shall have no rights of subrogation with respect to the Liabilities or any collateral securing the Liabilities until the Authority has received full payment of the Liabilities.

Without limiting the generality of the foregoing, Guarantor shall not assert, plead or enforce against the Authority any defense of waiver, release, discharge from bankruptcy, statute of limitations, res judicata, statute of frauds, anti-deficiency statute, fraud, incapacity, minority,

usury, illegality or unenforceability that may be available to Guarantor, or any other person obligated with respect to the Liabilities, or any setoff available to Guarantor against the Authority. If any payment applied by the Authority to the Liabilities is subsequently set aside, recovered, rescinded, or otherwise required to be returned by the Authority for any reason, the Liabilities to which payment was applied shall, for the purposes of this Guaranty, be deemed to have continued in existence notwithstanding the application, and this Guaranty shall be enforceable as to such indebtedness as fully as if the Authority had not received and applied the payment.

4. **Acknowledgment of Guarantor.** Guarantor expressly acknowledges that [he/she/it] has full knowledge of the facts and circumstances under which this Guaranty is made, including, without limitation, whether Lessee or any other entity has pledged any collateral as security for the Liabilities.

5. **Waivers.** Guarantor waives presentment, demand, protest or notice of dishonor, non-payment or other default with respect to any of the Liabilities or any collateral therefore. Guarantor grants to the Authority full power in his discretion and without notice to Guarantor to deal in any manner with the Liabilities, including but not limited to: (a) change any terms of any of the Liabilities, including the rate of interest, grant any extension or renewal of the Liabilities, and effect any release, compromise or settlement of the Liabilities; (b) forbear from taking any action with respect to any of the Liabilities, or any guarantor or collateral; (c) consent to the substitution, exchange or release of any guarantors or all or any part of any collateral securing the Liabilities; and (d) exercise all rights and remedies available under law or equity in the event the Liabilities are not paid when due or there is a default under any document evidencing any of the Liabilities.

6. **Miscellaneous.** Nothing in this Guaranty shall waive or restrict any right of the Authority granted in any other document or by law. No waiver by the Authority of any default shall be effective unless in writing and signed by the Authority, nor shall a waiver on one occasion be construed as a bar to or waiver of that right on any future occasion. Any reference to the Authority shall include any assignee or holder of all or any part of the Liabilities. This Guaranty shall bind the respective heirs, personal representatives, successors and assigns of the Authority and Guarantor. Guarantor agrees that any action against Guarantor for enforcement of this Guaranty may be brought in any state or federal court in Michigan having jurisdiction of the subject matter; Guarantor consents to personal jurisdiction over [him/her/it] by such courts, and to venue in such courts. This Guaranty shall be governed in all respects by the laws of Michigan without giving effect to conflict of laws rules.

**GUARANTOR:**

\_\_\_\_\_

[ ]



## **EXHIBIT A**

### **Depiction of Demised Premises**

(The area described as “Maintenance Facility” is the Demised Premises,  
and excludes the “Avflight Ramp” area)



