

ON-AIRPORT LAND LEASE

Between

**UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION**

And

CITY OF ANN ARBOR, MICHIGAN

**Lease No.: 697DCM-20-L-00007
(ARB) ATCT
Ann Arbor, Michigan**

SECTION 1 - OPENING

6.1.1 Preamble (JAN 2018)

This Lease is made and entered into by the City of Ann Arbor, Michigan, hereinafter referred to as "Airport" or "Lessor", for itself, its successors and assigns, and the Federal Aviation Administration, hereinafter referred to as the "FAA".

For purposes of this Lease, the terms Contractor and Lessor are interchangeable with each other.

6.1.2 Succeeding Lease (JAN 2015)

This Lease succeeds Lease No. DTFA14-02-L-R3445 and all other previous agreements between the parties for the leased property described in this document.

6.1.3 Witnesseth (JAN 2015)

The parties hereto, for the consideration hereinafter mentioned, covenant and agree as follows:

6.1.4-1 Premises (JAN 2018)

The Lessor hereby leases to the FAA the following described property, hereinafter referred to as the premises:

AIRPORT TRAFFIC CONTROL TOWER SITE

A parcel of land commencing at the Northeast corner of Section 17, Town 3 South, Range 6 East, Pittsfield Township, Washtenaw County, State of Michigan; Thence N 89° 57' 31" W 1746.62 feet along the North line of said Section 17 and Centerline of Ellsworth Road; Thence S 00° 30' 35" E 1173.88 feet; Thence S 89° 41' 45" W 287.27 feet to the Point of Beginning; Thence continuing S 89° 41' 45" W 108.50 feet; Thence S 00° 13' 54" E 270.13 feet; Thence N 89° 41' 45" E 164.61 feet; Thence N 00° 13' 54" W 129.45 feet; Thence S 89° 41' 45" W 32.90 feet; Thence N 30° 38' 32" W 45.62 feet; Thence N 00° 18' 15" W 101.32 feet to the Point of Beginning. Being a part of the Northeast ¼ of said Section 17 and containing 0.85 Acres of land, more or less.

ACCESS ROAD

Together with and subject to a 66 wide easement for ingress, egress and public utilities along two (2) existing private roads described as follows:

Commencing at the Northeast corner of Section 17, Town 3 South, Range 6 East, Pittsfield Township, Washtenaw County, State of Michigan; Thence N 89° 57' 31" W 1713.62 feet along the North line of said Section 17 and Centerline of Ellsworth Road to the Point of Beginning; Thence continuing along said North line N 89° 57' 31" W 66.00 feet; Thence S 00° 30' 35" E 1141.08 feet; Thence S 89° 41' 45" W 362.59 feet; Thence S 00° 13' 54" E 66.00 feet; Thence N 89° 41' 45" E 428.91 feet; Thence N 00° 30' 35" W 1206.68 feet to the Point of Beginning.

A. Together with a right-of-way for ingress to and egress from the premises for FAA employees, their agents and assigns; a right-of-way for establishing and maintaining a pole line or pole lines for extending electric power and/or telecommunication lines to the premises; and a right-of-way for subsurface power, communication and/or water lines to the premises; all rights-of-way to be over said lands and adjoining lands of the Lessor, and unless herein described otherwise, shall be reasonably determined by the FAA as the most convenient route.

B. And the right of grading, conditioning, installing drainage facilities, seeding the soil of the premises, and the removal of all obstructions from the premises that may constitute a hindrance to the establishment and maintenance of FAA facilities.

C. And the right to make alterations, attach fixtures, erect additions, structures, or signs, in or upon the premises hereby leased. All alterations and additions are and will remain the property of the FAA.

SECTION 2 - TERMS

6.2.5 Term (AUG 2002)

To have and to hold, for the term commencing on October 1, 2020 and continuing through September 30, 2040 inclusive, provided that adequate appropriations are available from year to year for the consideration herein.

6.2.6 Consideration - No Cost (JAN 2018)

The FAA shall pay the Airport no monetary consideration in the form of rental. It is mutually agreed that the rights extended to the FAA herein are in consideration of the obligations assumed by the FAA in its establishment, operation and maintenance of facilities upon the premises hereby leased.

6.2.7 Cancellation (JAN 2017)

The FAA may terminate this Lease at any time, in whole or in part, if the Real Estate Contracting Officer (RECO) determines that a termination is in the best interest of the FAA. The RECO shall terminate by delivering to the Lessor a written notice specifying the effective date of the termination. The termination notice shall be delivered by certified mail return receipt requested and mailed at least 30 days before the effective termination date.

6.2.14 Holdover (JUL 2017)

If after the expiration of the Lease, the FAA shall retain possession of the premises, the Lease shall continue in full force and effect on a month-to-month basis.

6.2.16 Lessor's Successors (JUL 2017)

The terms and provisions of this Lease and the conditions herein bind the Lessor and the Lessor's heirs, executors, administrators, successors, and assigns.

SECTION 3 - GENERAL CLAUSES

3.2.5-1-RE Officials Not to Benefit (OCT 1996)

No member of or delegate to Congress, or resident commissioner, shall be admitted to any share or part of this lease, or to any benefit arising from it. However, this clause does not apply to this lease to the extent that this lease is made with a corporation for the corporation's general benefit.

6.3.5 Title To Improvements (APR 2005)

Title to the improvements constructed for use by the FAA during the life of this Lease shall be in the name of the FAA.

6.3.6 Funding Responsibility for FAA Facilities (JAN 2017)

The Airport agrees that any and all Airport requested relocation(s), replacement(s), or modification(s) of any existing or future FAA navigational aid or communication system(s) necessitated by Airport improvements or changes will be at the expense of the Airport. In the event that the Airport requested changes or improvements interferes with the technical and/or operational characteristics of the FAA's facility, the Airport will immediately correct the interference issues at the Airport's expense. Any FAA requested relocation, replacement, or modifications shall be at the FAA's expense. In the event such relocations, replacements, or modifications are necessary due to causes not attributable to either the Airport or the FAA, funding responsibility shall be determined by mutual agreement between the parties, and memorialized in a Supplemental Lease Agreement.

6.3.18 Non-Restoration (JAN 2018)

It is hereby agreed between the parties that, upon termination of its occupancy (due to termination or expiration of the Lease), including any holdover periods, the FAA shall have no obligation to restore and/or rehabilitate, either wholly or partially, the property that is the subject of this Lease. It is further agreed that the FAA may abandon in place any or all of the structures and equipment installed in or located upon said property by the FAA during its tenure. Such abandoned equipment shall become the property of the Lessor.

6.3.25 Quiet Enjoyment (OCT 1996)

The Lessor warrants that they have good and valid title to the premises, and rights of ingress and egress, and warrants and covenants to defend the FAA's use and enjoyment of said premises against third party claims.

6.3.28-2 Interference with FAA Operations (JAN 2017)

The Airport agrees not to erect or allow to be erected any structure or obstruction of any kind or nature within the Airport's boundaries that the FAA determines may interfere with the proper operation of the facilities installed by the FAA. The FAA and the Airport agree that such action(s) would not be in the best interest of the Airport or the FAA.

6.3.33 Covenant Against Contingent Fees (AUG 2002)

The Lessor warrants that no person or agency has been employed or retained to solicit or obtain this contract upon an agreement or understanding for a contingent fee, except a bona fide employee or agency. For breach or violation of this warranty, the FAA shall have the right to

annul this contract without liability or, in its discretion, to deduct from the contract price or consideration, or otherwise recover the full amount of the contingent fee.

6.3.34 Anti-Kickback - Real Property (JAN 2017)

The Anti-Kickback Act of 1986 (41 U.S.C. 51-58) (the Act), prohibits any person from (1) Providing or attempting to provide or offering to provide any kickback; (2) Soliciting, accepting, or attempting to accept any kickback; or (3) Including, directly or indirectly, the amount of any kickback in the contract price charged by a prime Contractor to the United States or in the contract price charged by a subcontractor to a prime Contractor or higher tier subcontractor.

6.3.36 Subordination, Nondisturbance and Attornment (JAN 2017)

A. The FAA agrees, in consideration of the warranties and conditions set forth in this clause, that this Lease is subject and subordinate to any and all recorded mortgages, deeds of trust and other liens now or hereafter existing or imposed upon the premises, and to any renewal, modification or extension thereof. It is the intention of the parties that this provision shall be self-operative and that no further instrument shall be required to effect the present or subsequent subordination of this Lease. Based on a written demand received by the RECO, the FAA will review and, if acceptable, execute such instruments as Lessor may reasonably request to evidence further the subordination of this Lease to any existing or future mortgage, deed of trust or other security interest pertaining to the premises, and to any water, sewer or access easement necessary or desirable to serve the premises or adjoining property owned in whole or in part by Lessor if such easement does not interfere with the full enjoyment of any right granted the FAA under this Lease.

B. No such subordination, to either existing or future mortgages, deeds of trust or other lien or security instrument shall operate to affect adversely any right of the FAA under this Lease so long as the FAA is not in default under this Lease. Lessor will include in any future mortgage, deed of trust or other security instrument to which this Lease becomes subordinate, or in a separate non-disturbance agreement, a provision to the foregoing effect. Lessor warrants that the holders of all notes or other obligations secured by existing mortgages, deeds of trust or other security instruments have consented to the provisions of this clause, and agrees to provide true copies of all such consents to the RECO promptly upon demand.

C. In the event of any sale of the premises or any portion thereof by foreclosure of the lien of any such mortgage, deed of trust or other security instrument, or the giving of a deed in lieu of foreclosure, the FAA will be deemed to have attorned to any purchaser, purchasers, transferee or transferees of the premises or any portion thereof and its or their successors and assigns, and any such purchasers and transferees will be deemed to have assumed all obligations of the Lessor under this Lease, so as to establish direct privity of estate and contract between FAA and such purchasers or transferees, with the same force, effect and relative priority in time and right as if the lease had initially been entered into between such purchasers or transferees and the FAA; provided, further, that the RECO and such purchasers or transferees shall, with reasonable promptness following any such sale or deed delivery in lieu of foreclosure, execute all such

revisions to this Lease, or other writings, as shall be necessary to document the foregoing relationship.

D. None of the foregoing provisions may be deemed or construed to imply a waiver of the FAA's rights as a sovereign.

6.3.37 Notification of Change in Ownership or Control of Land (JAN 2018)

If the Lessor sells or otherwise conveys to another party or parties any interest in the aforesaid land, rights of way thereto, and any areas affecting the premises, the FAA shall be notified in writing, of any such transfer or conveyance within 30 calendar days after completion of the change in property rights. Concurrent with the written notification, the Lessor or Lessor's heirs, representatives, assignees, or trustees shall provide the FAA copies of the associated legal document(s) (acceptable to local authorities) for transferring and/or conveying the property rights.

6.3.39 Integrated Agreement (OCT 1996)

This Lease, upon execution, contains the entire agreement of the parties, and no prior written or oral agreement, express or implied shall be admissible to contradict the provisions of this Lease.

6.3.45 Contract Disputes (Real Property) (JAN 2018)

All contract disputes arising under or related to this Lease will be resolved through the FAA dispute resolution system at the Office of Dispute Resolution for Acquisition (ODRA) and will be governed by the procedures set forth in 14 C.F.R. Parts 14 and 17, which are hereby incorporated by reference. Judicial review, where available, will be in accordance with 49 U.S.C. 46110 and will apply only to final agency decisions. A Lessor may seek review of a final FAA decision only after its administrative remedies have been exhausted.

All contract disputes will be in writing and will be filed at the following address:

Office of Dispute Resolution for Acquisition, AGC-70
Federal Aviation Administration
800 Independence Avenue, S.W., Room 323
Washington, DC 20591
Telephone: (202) 267-3290

A contract dispute against the FAA will be filed with the ODRA within two (2) years of the accrual of the Lease claim involved. A contract dispute is considered to be filed on the date it is received by the ODRA.

The full text of the Contract Disputes clause is incorporated by reference. Upon request the full text will be provided by the RECO.

SECTION 7 - SERVICES, UTILITIES, AND MAINTENANCE CLAUSES

6.7.7 Utility Lines and Consumption (JAN 2017)

The Airport agrees to maintain the necessary water and sanitary sewer, steam and high temperature lines to the facility and to install necessary meters to the FAA's lines without cost to the FAA. The FAA shall pay for all of its utility consumption at no more than prevailing rates charged the general public for such similar utility services.

SECTION 8 - ENVIRONMENTAL OCCUPATIONAL SAFETY AND HEALTH CLAUSES

6.8.1 Hazardous Substance Contamination (JUL 2017)

The FAA agrees to remediate, at its sole cost, all hazardous substance contamination on the FAA facility premises that is found to have occurred as a direct result of the installation, operation, relocation and/or maintenance of the FAA's facilities covered by this Lease. The Airport agrees to remediate or have remediated at its sole cost, any and all other hazardous substance contamination found on the FAA facility premises. The Airport also agrees to save and hold the U.S. FAA harmless for any and all costs, liabilities and/or claims by third parties that arise out of hazardous contamination found on the FAA facility premises that are not directly attributable to the installation, operation and/or maintenance of the facilities.

SECTION 10 - CLOSING

6.10.1 Notices (JUL 2017)

All notices/correspondence shall be in writing, referencing to the Lease number, and be addressed as follows:

TO THE LESSOR:
City of Ann Arbor, Michigan
c/o Airport Manager
301 E. Huron Street, PO Box 8647
Ann Arbor, Michigan 48107-8647

TO THE FAA:
Federal Aviation Administration
Real Estate Branch, AAQ-920
10101 Hillwood Parkway
Fort Worth, Texas 76177

6.10.3 Signature Block (JUL 2017)

This Lease shall become effective when it is fully executed by all parties.

In witness whereof, the parties hereto have signed their names.

CITY OF ANN ARBOR, MICHIGAN

BY: _____ TITLE: Mayor DATE: _____

BY: _____ TITLE: City Clerk DATE: _____

APPROVED AS TO FORM:

BY: _____ TITLE: City Attorney DATE: _____

APPROVED AS TO SUBSTANCE:

BY: _____ TITLE: City Administrator DATE: _____

UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION

By: _____ Date: _____
Stacy S. Twigg
Real Estate Contracting Officer

PUBLIC AUTHORIZATION CERTIFICATE

On this _____ day of _____, 20____, I _____ certify that I am the _____ of the City of Ann Arbor, Michigan named in the attached agreement; that _____ who signed said agreement on behalf of City of Ann Arbor, Michigan is _____ of said City of Ann Arbor, Michigan, and that said agreement was duly signed for and on behalf of the City of Ann Arbor, Michigan by authority of its governing body, and is within the scope of its powers.

Signed _____