

# VERMEER MANUFACTURING, INC. HANGAR LEASE

## Preliminary Statement

The City of Pella, Iowa, hereinafter called Lessor, is the owner of a municipal airport located in the City of Pella. Vermeer Manufacturing Inc., hereinafter referred to as Lessee, desires to lease a portion of said real estate for the purpose of erecting a hangar for the storage of aircraft. This agreement is entered into by and between the parties for purposes of clarifying the various conditions under which said lease arrangement is to take place.

## Terms

NOW, THEREFORE, for good, sufficient and valuable consideration, be it agreed by and between the parties hereto that the arrangement shall take into consideration the following factors:

1. Lease Area. The area to be leased by Lessor to Lessee is set out in Exhibit "A" hereto attached. Lessor's sole obligation shall be to furnish the real estate designated for purposes of erecting thereon, the hangar for storage of aircraft, together with a small peripheral area for beautification and vegetation growth.
2. Lease Period. The lease period shall become effective on the 1st day of July, 2000, and shall be for a term of twenty-five years.
3. Rental Arrangements. Lessee shall pay to Lessor, upon the execution of the within lease an annul rental of \$880, prorated for one-half of calendar year 2000, in advance, in the sum of \$440. The annual rental amount was adjusted as of January 1, 2000 corresponding with an adjustment in the Pella Corporation Hangar Lease Agreement and Heritage Lace, Inc. Lease Agreement. Said Agreement adjusts in five year intervals and thenceforward rental rates in Lease Agreements will adjust concurrently. January 1 will become the anniversary date with rental payments due and payable on or before each anniversary date during the lease period. Any delinquency in payment shall bear interest at the rate of -8- percent per annum from due date until paid.
4. Lessee Building. It is the intent of parties that lessee shall build an aircraft hangar or upon leased area with design and specifics to be provided and given to lessor for approval before construction in order that the design may conform to lessor's overall plans, and construction shall be reasonably safe, both as to wind and fire hazards. Lessee to comply and to be responsible for compliance with all applicable rules, regulations and ordinances of all agencies governing such facilities, including, but not limited to, City of Pella, Iowa, Department of Natural Resources, State Fire Marshall, Department of Environmental Quality and the Federal Aviation Administration. Lessee, by execution of this Agreement, shall indemnify City of Pella of all public and private liability associated with the installation, operation, and maintenance of such installations as Lessee may make under this lease. Said hangar to be used solely for storage and maintenance of Lessee's aircraft only in connection with Lessee's business.

Lessee shall proceed to construct a City-approved airplane hangar on the area designated, with the completion thereof to be by July 1, 2000, all to be located in the area shown in Exhibit "A" hereto attached and, further, according to construction details shown in Exhibit "B" hereto attached. City, as Lessor, agrees to make available to Lessee, without additional charge, a public road, electrical hook-ups, water lines, sanitary sewer and storm sewer as may be available on the premises. Lessee requirements beyond normal City facilities shall be extended at Lessee's expense, both as to original installation and maintenance. All water, electricity, sewer rents and telephone charges applicable to Lessee's usage shall be paid by Lessee with meters, service devices and tapping fees to be paid for and installed by Lessee as they apply to Lessee's need. Lessor also agrees to provide snow removal on ramp adjacent to the area leased to Lessee.

5. Non-Assignment or Sale. Any assignment of Lessee's interest herein or attempted sale of Lessee's hangar, improvements, or any other lease installations shall be subject to Lessor's approval. If not approved, Lessor shall become the owner of all such improvements and all Lessee interest shall be terminated and held at naught. Should Lessee be declared bankrupt or be Involved in judicial sale, Lessor may, at its option, immediately terminate this lease, and re-enter the premises by giving ten (10) day's notice.

6. Insurance and Indemnification. Lessee to procure and maintain casualty and liability insurance in an amount not less than \$4,000,000.00 combined single limit, covering property damage, personal injury and medical payments. Such coverage to protect Lessor against any such claim, damages, costs or expenses on account of injury to person, property, or to any property belonging to any person or persons by reason of such casualty, accident or other happening, except that caused by Lessor's own negligence, on or about the premises during the term of this lease. Lessee agrees to Indemnify Lessor from any and all injuries or damages or claims for damages that may be sustained or made by any person or persons whomsoever, as a result of the occupation and use of said premises by Lessee and for that purpose, Lessee further agrees to defend any and all actions or causes of action that may be brought against Lessor as a result of the use of the premises by Lessee, including the payment of attorney fees, court costs and other expenses in connection therewith, it being the purpose and intent of this paragraph to completely indemnify Lessor from any and all claims arising out of the use of the premises by Lessee. Lessee further agrees to pay for and on behalf of Lessor, any and all judgments, liens, claims or demands made against Lessor and determined to be legally due and owing by Lessor as a result of the use of the premises by Lessee, as herein described, during the term of this lease. The agreement on the part of Lessee to indemnify Lessor does not, however, extend to situations in which there has been negligence on the part of Lessor or Its agent.

7. **Termination Rights.** Upon termination of this Lease by expiration of the term hereof, or under other provisions herein, the hangar facility and all other improvements to the real estate constructed or erected upon the Leased Premises by Lessee, shall revert to Lessor, and Lessee shall have no further right or interest therein unless, at least sixty (60) days prior to the expiration of the term hereof, Lessee shall notify Lessor that it desires to renew and extend the lease on such terms and conditions as the parties shall agree, if Lessee, at the time of giving such notice, has performed all of the covenants and obligations of this lease. Also, no lease of said premises, regardless of term, may be made by Lessor with any person, firm or corporation other than Lessee unless said new lease shall have first been offered to Lessee and refused by it.

8. **Default.** In the event Lessee shall default in any of the terms, provisions, covenants or agreements herein contained, no cancellation, nor any legal action therefor or for the purpose of obtaining legal eviction, possession or damages, nor any other right of Lessor, shall be made, instituted or exercised by Lessor until, and unless, written notice of such alleged default has been served on Lessee, and Lessee has filed, neglected or refused to cure such default within thirty days from date of receipt of such notice, any provision of law or statute to the contract notwithstanding.

9. **Cooperation.** Lessee understands that substantial federal and state moneys have been received and are anticipated to be received by Lessor to help finance certain improvements at the Pella Municipal Airport, and Lessee agrees to cooperate fully with Lessor, the Federal Aviation Administration, the Iowa Department of Transportation, and other governmental agencies, in seeking such approvals as may be necessary to obtain such funding assistance. It is clearly understood that this lease must, in all respects, conform to U. S. Federal Aviation Administration rules and, as such, may be subordinate thereto in some respects.

10. **Discrimination.** Lessee will not, on the grounds of race, color, creed or national origin, discriminate or permit discrimination against any person or group of persons in the operation of this hangar facility in any manner permitted by Part 21 of the Regulations of the Office of the Secretary of Transportation. Lessor reserves the right to take such action as the United States Government may direct to enforce this covenant.

11. **Exclusive Right.** It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308, Federal Aviation Act of 1958.

12. **Future Development.** Lessor reserves the right, further, to develop or improve the landing area and all publicly owned air navigation facilities of the airport as it sees fit, regardless of the desires or views of Lessee, and without Interference or hindrance. However, Lessee shall not be subject to any special assessments for the cost of such improvements without its voluntary consent. It is understood and agreed that the rights granted by this agreement will not be exercised in such a way as to interfere with or adversely affect the use, operation, maintenance or development of the airport.

13. Emergency Rights. During time of war or national emergency, Lessor shall have the right to enter into an agreement with the United States Government for military or naval use of part, or all, of the landing area, the publicly owned air navigation facilities and/or other areas or facilities to the airport. If any such agreement is executed, the provisions of this instrument, insofar as they are inconsistent with the provisions of the agreement with the Government, shall be suspended.

14. Lessee Tax Obligation. Lessee will be responsible for the payment of all taxes which may be levied against the Leased Premises and improvements thereon or contained therein.

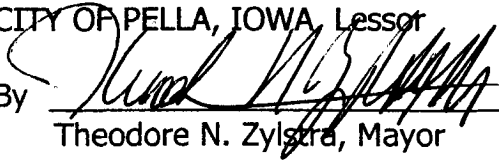
15. Use of Premises. Lessee shall use the premises only for the storage, maintenance, repair and other uses as may be incidental to the operation of its aircraft whether owned or leased. Lessee shall not, however, perform services with respect to the aircraft of others, including any service for which the City of Pella has, by resolution, established an activity fee. Lessor is permitted to inspect premises from time to time.

16. Maintenance of Premises. Lessee shall maintain all of the above described premises, keeping the buildings, facilities and other improvements in good repair, remove snow from area "A", and keep the entire area free of all obstructions.

IN WITNESS WHEREOF, the parties have hereunto signed their names the day and year first above written.

CITY OF PELLA, IOWA, Lessor

By

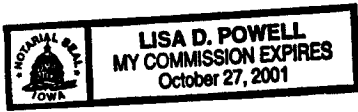
  
Theodore N. Zylstra, Mayor

Attest:

  
Karen A. Shimp, City Clerk

STATE OF IOWA, MARION COUNTY, ss:

On this 21<sup>st</sup> day of March, 2000, I, the undersigned, a Notary Public, in and for the county and state aforesaid, do hereby certify, that Theodore N. Zylstra personally known to me to be the Mayor of the City of Pella, a municipal corporation, and Karen A. Shimp personally known to me to be the City Clerk of said corporation, and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such Mayor and City Clerk they signed and delivered the said instrument as Mayor and City Clerk of said municipality, and caused the corporate seal of said municipality to be affixed thereto, pursuant to authority, given by the corporate authorities of said municipality as their free and voluntary act, and as the free and voluntary act and deed of said municipality for the uses and purposes therein set forth.



Lisa D. Powell  
Notary Public in and for the State of Iowa

IN WITNESS WHEREOF, the parties have hereunto signed their names the day and year first above written.

VERMEER MANUFACTURING, INC., Lessee

By Terry Butler

VP Facilities

STATE OF IOWA, MARION COUNTY, ss:

On this 4<sup>th</sup> day of April, 2000, before me, the undersigned, a Notary Public in and for the State of Iowa, personally appeared Terry Butler and \_\_\_\_\_ to me personally known, who, being by me duly sworn, did say that they are the VP of Facilities and \_\_\_\_\_, respectively, of said corporation; that the seal affixed thereto is the seal of said corporation; that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors; and that the said Terry Butler and \_\_\_\_\_ as such officers, acknowledged the execution of said instrument to be the voluntary act and deed of said corporation, by it and by them voluntarily executed.

Stan Schuch  
Notary Public in and for the State of Iowa

**EXHIBIT "A"**

**VERMEER MANUFACTURING, INC. HANGAR AREA DESCRIPTION**

On Pella Airport Property and Established from Existing Airport Runway.  
Airport property located in W ½ Sec. 9-76-18

## EXHIBIT "B"

1. Lessee shall grade its Exhibit "A" site to conform to surrounding area with proper connections to proposed City sanitary sewer (septic tank).
2. Lessee shall install its electric power (208V 3ph 4w), natural gas, and telephone.
3. Lessee's hangars shall be pre-engineered steel buildings approximately 70' x 60', with office.
4. If hangar area is equipped for cleaning aircraft, a suitable system for disposing of water, detergents, solvents and oils must be provided.
5. No fuel facilities are to be provided by Lessee (unless fuel facilities are not provided by Lessor).
6. Adjacent to hangars, Lessee shall install and maintain approximately 10,000 square feet of landscaping.
7. Lessee shall conform to any and all signage requirements.
8. Lessor agrees to install a 220' by 75' concrete apron along the west side of leased area and connecting with the existing airport apron.