

Princeton, Minnesota

AIRPORT ACCESS AGREEMENT

This Airport Access Agreement (“Agreement”) is made and entered into on this ____ day of _____, 2017, by and between the CITY OF PRINCETON, a Minnesota Municipal Corporation, (the “Owner”) and Duane Kruse & Sharon Sandberg with an address of 1101 - 19th Avenue So, Princeton, MN 55371 (the “User”).

RECITALS: This Agreement incorporates and is based upon the following representations and understandings:

WHEREAS The City is the owner and operator of the Princeton Municipal Airport, located in the Counties of Mille Lacs and Sherburne, City of Princeton, State of Minnesota with the power to grant rights and privileges with respect to the Airport pursuant to the provisions of federal, state and local laws, rules and regulations; and

WHEREAS, The User is the owner of a building on property located outside but immediately adjacent to the official boundaries of the Airport; and

WHEREAS The User desires the privilege of taxiing its aircraft from their property “through-the-fence” to the Airport property and to the Airport’s runway and taxiway system; and

WHEREAS, For the purpose of gaining access to the Airport via points of access to be designated and described by the City in the Airport Layout Plan, the parties desire to enter into this Agreement to comply with the FAA regulations which permit general aviation airport sponsors to enter into commercial through-the-fence agreements with property owners provided these agreements comply with the conditions as set forth in this Agreement;

NOW, THEREFORE and in consideration of the mutual terms and conditions hereinafter set forth, the Owner and User hereby agree to the following:

**ARTICLE I
PROPERTY WITH RIGHT OF ACCESS**

Legal description of property with right of access:

407-PRINCETON INDUSTRIAL PARK THIRD ADDITION
Sec.5 T35N R26W
LOT 1, BLK 3 EX THE S 56 FT OF THE E 190 FT

Parcel ID 90-407-0305
Property Address 1101 19TH AVE S, PRINCETON MN

And

A STRIP OF LAND 80.00 FT IN WIDTH OVER THAT PT OF THE NW 1/4 OF THE NE 1/4, THE SLY LINE OF WHICH IS CONT WITH THE NLY LINE OF LOT 1, BLK 3 PRINCETON INDU PARK 3RD ADDN. SAID STRIP OF LAND IS TO EXTEND BY ITS FULL WIDTH FROM THE W LINE OF SAID NW 1/4 OF NE1/4 TO A LINE DRAWN PARA WITH & DIST 190.00 FT E OF SAID W LINE

Parcel ID 90-005-1201

**ARTICLE II
TERM OF AGREEMENT**

2.1 The term of this Agreement shall commence on the ____ day of _____, 2017, and shall continue, through and including June 30, 2022, unless earlier terminated as herein provided. This Agreement may be renewed, subject to any changes deemed necessary by the Owner.

**ARTICLE III
ACCESS FEE TO OWNER**

3.1. **User's Access Fee.** Based upon on the rates and charges of other on-airport tenants and operators making similar use of the airport ("On-Airport Fees") Users shall pay an access fee of \$.08/ sq. ft. of building area on or before the 1st of each calendar year. This fee may be increased in accordance with the On-Airport Fees at any point during any term of this Agreement. User shall be in default if it does not remit the User's Access Fee to Owner within 90 days after the due date.

3.2. **Payment.** All payments required to be made by User under this Agreement shall be made payable to the City of Princeton[Glen McCl1] and shall be delivered or mailed to:

City of Princeton
705-2nd Street North
Princeton, MN 55371

3.3. **Penalty for Late Payment.** Owner will assess a late penalty of \$1.00 for every day User fails to remit payment after the payment due date described above.

**ARTICLE IV
CONSTRUCTION, PROHIBITIONS AND MAINTENANCE OF PRIVATE-USE
INFRASTRUCTURE**

4.1 It is understood and agreed that the User shall construct and/or maintain all private use infrastructure on User's property at User's sole cost and expense. Accordingly, User covenants and agrees as follows:

a. Construction and Maintenance. To construct and/or maintain the private-use infrastructure on [[Glen McCl2]User's property as may be required. All new construction on User's property must be approved by Owner 90 days prior to the commencement of construction. During the term of this Agreement, User shall also be solely responsible for all maintenance (snow removal, utility costs, turf or parking areas) of User's private-use infrastructure and shall at all times maintain it in good repair.

b. Construction Costs. Notwithstanding anything herein contained to the contrary, User has already paid for their 1/2 share of their portion of taxiway that is adjacent to their property. Owner, per pass agreements will maintain this taxiway. Fence, signs, taxiway lights, electrical power, gates, security controls, etc., will be the responsibility of the owner [[Glen McCl3]

c. Specific Construction. The parties agree that User may be allowed construct on any land it owns, subject to FAA regulations and consent and city regulations and consent. This allowance to construct may include land user owns to the north of its current hangar. This land is known as Parcel No. 90-005-1201(See Exhibit A attached hereto).

d. No Residential Uses: User shall not permit any person or entity to engage in any permanent residential activity on the land owned by the User described herein. This prohibition excludes, the following:

1. Temporary Sleeping Quarters for Emergency Personnel Only: User is permitted to make provision for sleeping facilities for the pilot(s) of emergency response aircraft housed on the land specifically covered in this Agreement; and
2. Prohibitions and Restrictions on Access: The User is specifically prohibited from granting or selling any access/egress to the Airport through the aforementioned property to any other parties. This restriction also includes the User taking reasonable precautions acceptable to the Owner to prevent the accidental access to the Airport by vehicles, pedestrians, pets, etc..., via the User's property.

e. Fuel Storage. The parties agree that User may store and maintain no more than 1,000 gallons of aircraft fuel in one or more above-ground tanks on its property in keeping with applicable laws and regulations. Such fuel will not be offered for sale to third parties, but shall be used only by User in its general operations.

**ARTICLE V
AGREEMENT SUBORDINATE TO GRANT ASSURANCES, AGREEMENTS WITH UNITED
STATES, AND FEDERAL OBLIGATIONS.**

5.1 **Subordination to Law.** This Agreement shall be nonexclusive and shall at all times be subordinate to the provisions of any existing or future agreements between the Owner and the United

States Government, or to any order issued by the United States Government, or to any grant assurances of the Airport, or to any of the Airport's or the Owner's Federal obligations. The User agrees to abide by the Airport Rules and Regulations in effect as of the date of this agreement and as may be amended from time to time.

5.2 **Notice to User.** Owner shall provide User with prompt notice of any Order or Regulation, and a copy thereof that comes into effect during the term of this Agreement that may reasonably be expected to affect User, User's access, operations, or this Agreement.

ARTICLE VI -TERMINATION OF AGREEMENT

6.1. Events of Default by User: Subject to the notice and cure provisions of this Agreement, Owner, at its option, may declare this Agreement terminated in its entirety upon the happening of any one or more of the following events and may exercise all rights related to the termination of this Agreement:

- a. User is in default, as defined in paragraph 3.1 hereof; or
- b. User files a voluntary petition in bankruptcy, or makes a general assignment for the benefit of creditors, or User is adjudicated as bankrupt, or User otherwise assigns or attempts to assign its interest herein without any required prior written consent of Owner; or
- c. User uses or permit the use of the User's premises at any time for any purpose which is not authorized by this Agreement, or if User shall use or
- d. User permits the use thereof in violation of any law, rule or regulation, (including the airport rules and regulations), to which the User has agreed to conform.
- d. User fails to meet any material term or condition of this agreement.

6.2. Notice of Default. If Owner believes that User is in breach in the performance of any material term of this Agreement, then the Owner shall send to the User a written notice of default, specifying the nature of the default, and User shall, within ninety (90) days after the date of the notice, cure and remedy the default, and this Agreement shall then continue as before. If User fails to timely cure and remedy such default, the Owner shall have the right to declare, by written notice to the User, that this Agreement is terminated, and to use all remedies available to the Owner under this Agreement.

ARTICLE VII NOTICES

7.1 **Notice/Addresses.** All notices, requests, or other communications, required or permitted to be given hereunder shall be in writing and delivered by via certified or registered mail, addressed to the appropriate party at its address as follows:

Owner: City Administrator
 City of Princeton
 705 - 2nd Street North
 Princeton, MN 55371

User: Duane Kruse & Sharon Sandberg
1101- 19th Ave. South
Princeton, MN 55371

ARTICLE VIII GENERAL PROVISIONS

8.1 No Waivers. The waiver by either party hereto of any condition or the breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of any other condition or of any subsequent breach of the same or of any other term, covenant or condition herein contained.

8.2 Governing Law. This Agreement is made and executed under and in all respects to be governed and construed by the laws of the State of Minnesota and the parties hereby agree that any action regarding this Agreement or the subject matter thereof shall be venued in the District Court of the State of Minnesota.

8.3 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of all permitted successors and assigns of each of the parties hereto. This Agreement may not be assigned or transferred by either party at any time without the prior written consent of the other party provided the assignee agrees to be bound by the terms of this Agreement.

8.4 Severability. If for any reason any term or provision of this Agreement shall be declared void and unenforceable by any court it shall only affect such particular term or provision of this Agreement and the balance of this Agreement shall remain in full force and effect and shall be binding upon the parties hereto.

8.5 Interpretation. Article and Section headings are provided for convenience only and are not to be used to construe or interpret this Agreement. Whenever the words "include" or "including" are used in this Agreement, they will be deemed to be followed by the words "without limitation."

8.6 Counterparts. This Agreement may be executed in one or more counterparts, each of which when so executed and delivered shall be an original, but which together shall constitute one and the same instrument.

8.7 Further Assurances. Each of the parties to this Agreement agrees to vote and act, in their capacities as individuals, shareholders, directors and officers, in a manner consistent with the provisions of this Agreement, and further agrees to enter into and execute such further agreements, certificates and instruments as may be reasonable or appropriate to effectuate the terms of this Agreement.

8.8 Survival. Any provisions of this Agreement which requires performance or grants a benefit after termination of the Agreement shall be deemed to survive the termination of the Agreement.

8.9 Entire Agreement. This Agreement and any express authorizations (which are incorporated herein by reference and made a part hereof) set forth the entire agreement and understanding of the parties in respect of the transactions contemplated hereby and supersede all prior agreements, arrangements and understandings, whether written or oral, relating to the subject matter hereof.

IN WITNESS WHEREOF, the parties have executed this Agreement by their duly authorized officers.

Owner:

User:

By: Paul Whitcomb, Mayor

By: Sharon Sandberg

Attest:

By: Shawna Jenkin, City Clerk

By: Duane Kruse

EXHIBIT



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