

Princeton, Minnesota

AIRPORT ACCESS AGREEMENT

This Airport Access Agreement (“Agreement”) is made and entered into on this ____ day of _____, 2023, 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, and any Aviation-related entity whose majority controlling interest is held by the same (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 (the “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 real property located immediately adjacent to the Airport who’s structures include an Aircraft Hangar; and

WHEREAS, the User has been a tenant of the airport for more than 20 years, and has operated a mechanic’s service supporting area and local pilots, and

WHEREAS The User desires to continue to operate their respective businesses and non-profit aviation-related entities from the property, which requires access by customer aircraft 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:

Lot 1, Block 3, Princeton Industrial Park Third Addition according to the plat thereof and on file in the office of the Sherburne County Recorder, except the South 56 feet of the East 190 feet thereof.

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

And

A strip of land 80.00 feet in width over that part of the Northwest Quarter of the Northeast Quarter of Section 5, Township 35, Range 26, Sherburne County, Minnesota, the Southerly line of which is contiguous with the Northerly line of Lot 1, Block 3 Princeton Industrial Park Third Addition, according to the recorded plat thereof in said County. Said strip of land is to extend by its full width from the West line of said Northwest Quarter of the Northeast Quarter, to a line drawn parallel with and distant 190.0 feet East of said West line.

Parcel ID 90-005-1201

**ARTICLE II
TERM OF AGREEMENT**

2.1 The term of this Agreement shall commence on the ____ day of _____, 2023, and shall continue, through and including December 31, , 2033, unless earlier terminated as herein provided. This Agreement may be renewed; however, terms are subject to change.

**ARTICLE III
ACCESS FEE TO OWNER**

3.1. **User's Access Fee.** Based upon 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 equal to the airport lease amount set by the City Council per square foot 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. The Owner shall invoice the User as it does with On-Airport lessees. 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 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 User's property as may be required. Private-use infrastructure shall include, cable, phone, internet, natural gas, electric, sewer, water and other similar-related services supplied from the street. All new construction on User's property must be approved by Owner 90 days prior to the commencement of construction. User shall also be solely responsible for all maintenance required upon and under User's Property (snow removal, utility costs, turf or parking areas) including User's private-use infrastructure and shall at all times maintain them in good repair.

b. Construction Costs. Notwithstanding anything herein contained to the contrary, User has already paid for their half share of the taxiway adjacent to their property acknowledged by the FAA as a "Single-Use Taxiway". Owner will maintain this taxiway in the same manner as is customary for the rest of the Airport. Fences, signs, taxiway lights, electrical power, gates, security controls, and other associated or similar requirements on the Airport will be the responsibility of the Owner.

c. Specific Construction. The parties agree that User may be allowed construct additional structures on property described in article 1 and subject to this agreement, subject to FAA regulations and consent and city regulations and consent which shall not be unreasonably withheld.

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:

Temporary Sleeping Quarters for Aircrew Personnel: User is permitted to make provision for sleeping facilities for the pilot(s) and crew of transient aircraft provided such temporary quartering shall never exceed 28 consecutive days.

e. 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 except as necessary to conduct their respective aviation-related businesses. This provision does not limit the User's ability to assign a successor as may otherwise be permitted under this agreement.

f. Fuel Storage. The parties agree that User may store and maintain for their own personal use and not for resale outside of regularly scheduled maintenance services by clients of the user, 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.

4.2 Owner and User acknowledge the presence of a single-use taxiway located on the Airport to the west of User's through-the-fence operation which serves as the User's sole point of access to the Airport. As per the FAA designation, until such is rescinded, this is a single-use taxiway used solely by the User and its associated customers, businesses, and clients. At this time it does not qualify for federal funding for maintenance or replacement, as such the Owner will be responsible for maintaining the associated taxiway in the same or similar manner as the rest of the Airport without regard for funds contributed by the FAA specific to said Taxiway.

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. **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 herein; 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 permits the use of the User's premises at any time for any purpose which is not authorized by this Agreement, 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; or
- 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 of 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. Such consent shall not be unreasonably withheld.

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:

CITY OF PRINCETON

BY: _____
Tom Walker, Mayor

BY: _____
Michele McPherson, City Administrator

USER:

DUANE KRUSE

BY: _____

STATE OF MINNESOTA)

) SS:

COUNTY OF MILLE LACS)

On this _____ day of _____, 2023, before me, a Notary Public in and for said county, personally appeared Tom Walker and Michele McPherson, to me personally known, who being duly sworn, did say that they are the Mayor and City Administrator of the City of Princeton, a Minnesota Municipal Corporation named in the foregoing instrument and that said instrument was signed on behalf of said City of Princeton by authority of its Council and said Tom Walker and Michele McPherson, acknowledged said instrument to be the free act and deed of said City of Princeton.

Notary Public

STATE OF MINNESOTA)

) SS:

COUNTY OF)

On this _____ day of _____, 2023, before me, a Notary Public in and for said county, personally appeared _____, to me personally known, who being duly sworn, did say that s/he is the _____ of _____, the _____ named in the foregoing instrument and that said instrument was signed on behalf of said _____ by authority of its _____ and said _____ acknowledged said instrument to be the free act and deed of said _____.

Notary Public

DRAFTED BY:

City of Princeton

705 North Second Street

Princeton, MN 55371

EXHIBIT



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