

## AIRPORT LAND LEASE AGREEMENT

THIS AGREEMENT, made and entered into this 28th day of March, 2022, by and between the GRAND RAPIDS-ITASCA COUNTY AIRPORT, owned by the City of Grand Rapids, a municipal corporation, and Itasca County, Minnesota, hereinafter referred to as LANDLORD, and State of Minnesota, acting by and through its Commissioner of Natural Resources, hereinafter referred to as TENANT.

WHEREAS, the Commissioner of Natural Resources is empowered by Minnesota Statutes, sec. 89.032, Subd 3. to lease land necessary for facilities for forestry purposes.

NOW THEREFORE, for good and valuable consideration, the LANDLORD hereby leases unto said TENANT the real estate described on Exhibit A, hereinafter referred to as the "LEASED PREMISES", subject to the following terms, conditions, covenants and agreements:

1. RENT. TENANT shall pay LANDLORD rent at the rate of \$0.325 per square foot per year, which equates to a total rent of \$2,453.10. Said rent shall increase at the rate of one-half cent (or \$0.005) per square foot per year for the term of the lease, with the first increase to take effect on January 1, 2023, and then on January 1<sup>st</sup> of every year thereafter.
2. TERM. LANDLORD shall lease the subject property to TENANT for a period of forty (40) years beginning March 28, 2022 and ending on March 27, 2062.
3. RENEWAL OPTION. This lease will be automatically renewed and extended in twenty (20) year increments, at the same terms and conditions in effect at that time which are consistent with terms and conditions of similar leases at other airports of similar structure, upon the election of the TENANT. The parties agree that on any renewals there will be no changes that would restrict the TENANT'S rights as set forth in Paragraph 4 of the Lease Agreement. year increments, at the same terms and conditions in effect at that time which are consistent with terms and conditions of similar leases at other airports of similar structure, upon the election of the TENANT. The parties agree that on any renewals there will be no changes that would restrict the TENANT'S rights as set forth in Paragraph 4 of the Lease Agreement.
4. PERMITTED USE. TENANT shall use the premises for aviation activities, including but not limited to fire suppression activities, carried out by the Department of Natural Resources. TENANT is also allowed to park a travel trailer on the LEASED PREMISES behind the DNR's hangar building.
5. ADDITIONAL RIGHTS OF TENANT. In addition to the Permitted Uses of the LEASED PREMISES as noted in Section 4 herein, the TENANT shall have the non-exclusive right to use all public airport facilities and improvements of a public nature connected with, or appurtenant to the airport, including but not limited to landing, taxiing and parking areas, and other common-use facilities. The TENANT shall have the right to ingress and egress to and from the LEASED PREMISES and its DNR-owned hangar located on the LEASED PREMISES.

6. TERMINATION.

6.1 Funding. In the event that the Minnesota State Legislature does not appropriate to the Department of Natural Resources funds necessary for the continuation of this Lease, this Lease may be terminated by TENANT upon giving ninety (90) days written notice.

6.2 Any Reason. Notwithstanding Section 6.1 above, this Lease may be terminated any time by mutual agreement or by giving one (1) year prior written notice to the other party.

6.3 Surrender of Lease Premises. LANDLORD and TENANT hereby agree that at the expiration or earlier termination of this Lease or extension thereof, TENANT shall remove its personal property, vacate and surrender possession of the LEASED PREMISES to LANDLORD in as good condition as when TENANT took possession, ordinary wear, tear and damage by the elements excepted.

6.4 Default by Tenant. In the event of the failure of TENANT to perform any of the terms, conditions or covenants of this LEASE to be observed or performed by TENANT for more than thirty (30) days after written notice of such default has been given to TENANT, LANDLORD shall have the right, at its option, to terminate this LEASE. Notice of termination by the LANDLORD shall provide not less than one (1) year for the TENANT to either sell, convey, or remove its hangar located on the LEASED PREMISES. Upon such termination, TENANT shall quit and surrender the LEASED PREMISES to LANDLORD. Upon such termination, LANDLORD or LANDLORD'S agent may reenter the LEASED PREMISES and remove all or any persons therefrom by proceeding at law and thereby repossess and enjoy the LEASED PREMISES; and by such repossession and reentry, LANDLORD shall not be deemed to have waived its right (if any) to collect rent due (if any) from TENANT hereunder or to enforce the other obligations of TENANT hereunder.

7. LEASE ASSIGNMENT. TENANT retains the right to assign this Lease to the new owner of TENANT'S hangar building located on the LEASED PREMISES, subject to the LANDLORD'S approval. TENANT shall provide a written notice to LANDLORD, by certified mail with return receipt requested or by personal service, setting forth the terms of the assignment. LANDLORD, within thirty (30) days receipt of the terms, shall agree to enter into a binding agreement with a closing date within forty-five (45) days. Failure to comply with the time requirements shall allow TENANT to transfer to a third party, but not at more favorable terms and conditions as offered by the LANDLORD. Any transfer by operation of law, including through succession of interest, shall be authorized and not subject to approval.

8. DUTIES OF LANDLORD. LANDLORD shall, at its expense, provide the following:

8.1 Airport Operation. LANDLORD shall properly maintain, operate and manage the Grand Rapids-Itasca County Airport at all times and in a manner similar to generally accepted good practice in the State of Minnesota for airports of similar size and character. If for any reason beyond the control of the LANDLORD, including but not limited to war, strikes, riots, or natural disaster, the LANDLORD shall fail to properly maintain, operate and manage said airport, such failure shall not operate as a breach of this Lease or render the LANDLORD liable for damages.

8.2 Management. LANDLORD agrees that in exercising its management responsibilities of the property of which the LEASED PREMISES are a part, including maintenance, repair, alterations, and construction relating thereto, it shall comply with all applicable laws, statutes, rules, ordinances and regulations, including but not limited to building code, disability access, zoning, air quality, pollution

control, recyclable materials and prevailing wage requirements, as issued by any federal, state or local political subdivisions having jurisdiction and authority in connection with said property.

8.3 Snow Removal. LANDLORD shall keep taxiways, aprons and other paved surfaces adjacent to the LEASED PREMISES and any vehicle access lanes leading to the LEASED PREMISES free from snow, ice and debris, including the parking lot.

8.4 Repairs. LANDLORD shall make such necessary repairs so as to continue to provide all such service appurtenances as are required by this Lease. Provided, however, that LANDLORD shall not be responsible for repairs upon implements or articles, which are the personal property of TENANT, nor shall LANDLORD bear the expense of repairs to the LEASED PREMISES necessitated by damage caused by TENANT beyond normal wear and tear.

8.5 Exterior Lighting. LANDLORD shall provide adequate exterior lighting in the parking lots and common areas adjacent to the LEASED PREMISES.

8.6 Delivery of LEASED PREMISES. LANDLORD covenants that it will deliver the LEASED PREMISES to TENANT in a clean and sanitary condition with all services and appurtenances included within the scope of this Lease in effect and in good running order.

8.7 Quiet Enjoyment. TENANT shall have the quiet enjoyment of the LEASED PREMISES during the full term of this Lease and any extension or renewal thereof.

8.8 Disability Access. LANDLORD agrees to provide and maintain the LEASED PREMISES and its airport operations with accessibility and facilities for persons with disabilities meeting code requirements, including but not limited to: Titles II and III of the Americans with Disabilities Act (ADA), all applicable laws, rules, ordinances and regulations issued by any federal, state or local political subdivisions having jurisdiction and authority in connection with said property.

9. RESTRICTIVE COVENANTS. TENANT shall comply with the following covenants:

9.1 The hangar located on the LEASED PREMISES shall be kept in a neat and orderly condition and shall be painted or repainted at such time or times and of such color or colors as may be reasonably directed by LANDLORD, the Minnesota Department of Transportation Office of Aeronautics, any agency of the United States government, or any other agency having jurisdiction over the airport facility. Any additions, modifications or alterations to the hangar located on the LEASED PREMISES must have the written consent of the LANDLORD.

9.2 No signs or advertising matter of any kind shall be painted, posted or displayed upon any hangar located on the LEASED PREMISES or on the LEASED PREMISES itself without the written consent of the LANDLORD.

9.3 No excavation shall be made upon the LEASED PREMISES and no fences or sidewalks shall be constructed thereon without the written consent of LANDLORD.

9.4 The parties agree that any structure located on the LEASED PREMISES or placed on the LEASED PREMISES are not part of the real property. Removal of improvements is subject to Paragraph 6 of this Lease Agreement. Furthermore, TENANT agrees that the LEASED PREMISES shall be used only for the permitted purposes noted in Paragraph 4 herein.

9.5 Explosives, gasoline, oil, and other highly flammable material of any kind kept on the LEASED PREMISES shall be kept in such a manner as the LANDLORD shall from time to time determine. Storage of such material shall be kept in such manner as to comply with the requirements of the National Fire Protection Association (NFPA) and all applicable rules, regulations, ordinances and fire codes. TENANT shall be responsible for the clean-up of all hazardous materials and spills caused by the TENANT or their partner agencies and shall be responsible for the remediation of any hazardous/contaminated soils on the LEASED PREMISES caused by the TENANT or their partner agencies. TENANT is not responsible for the clean-up or remediation of any pre-existing (prior to the date of the lease herein) hazardous materials or contamination found on the LEASED PREMISES.

9.6 TENANT agrees that, except in the case of student pilots, only duly licensed pilots will operate aircraft on any runway or the LEASED PREMISES and that the operation will be subject to the laws of the United States, the State of Minnesota, the County of Itasca, and the City of Grand Rapids.

9.7 Other than commercial endeavors approved and itemized in Exhibit B, or subsequent approval by the LANDLORD, the TENANT shall not engage in any commercial aviation endeavors on the LEASED PREMISES. This prohibition includes but is not limited to performing work on airplanes not owned by the TENANT. This lease strictly prohibits commercial and non-commercial use that is not specifically allowed by this Lease Agreement.

9.8 TENANT shall pay all utilities, water, lights and any other service used on the LEASED PREMISES during the term of this lease or any renewal thereof. Lease permits existing tenant owned water and sewer utilities outside of the specific leased area at no additional cost.

Landlord grants tenant temporary access at no additional cost as necessary to maintain or replace these utilities and to maintain the tenant's building subject to any reasonable and necessary controls to maintain airport security and safety.

10. LIABILITY. LANDLORD and TENANT agree that each party shall be responsible for its own acts and the results thereof to the extent authorized by law and shall not be responsible for the acts of any others and the results thereof. TENANT'S liability shall be governed by the provisions of the Minnesota Tort Claims Act (Minnesota Statutes, Section 3.736) and other applicable law.

11. TAXES AND ASSESSMENTS. TENANT shall be responsible for paying taxes on the LEASED PREMISES. The LANDLORD shall be responsible for paying all assessments (special or otherwise) on the LEASED PREMISES.

12. INSURANCE. TENANT is self-insured with liability limits set by Minnesota Statutes, section, 3.736.

13. AMENDMENT. If this lease should fail to comply in any respect with the ordinances, regulations or laws of the United States, the State of Minnesota, the County of Itasca, or the City of Grand Rapids, then this lease shall be amended to comply with the requirements of said ordinances, laws and regulations. If said amendment would result in a material deviation from the general terms and conditions of this lease, then LANDLORD or TENANT has the right to renegotiated or terminate this lease. Any amendment must be in writing.

14. NON-DISCRIMINATION. TENANT does hereby covenant and agree that with respect to all matter relating to the use of the lease premises, no persons on the grounds of race, color or natural origin shall be excluded from participation and denied the benefits or otherwise by subject to discriminations; and TENANT shall use the premises in compliance with all other requirements imposed by or pursuant to any laws or regulations imposed by the United States government or the State of Minnesota.

15. RENT BILLING ADDRESS. All original bills and statements from the LANDLORD to TENANT shall be mailed, e-mailed or personally delivered to:

Accounts Payable  
Department of Natural Resources, Division of Forestry  
500 Lafayette Road  
St. Paul, Minnesota 55155  
[Jennifer.Franklin@state.mn.us](mailto:Jennifer.Franklin@state.mn.us)

16. RENT PAYMENT ADDRESS. TENANT shall mail or deliver or pay LANDLORD via electronic payment the monthly rent set forth within this Lease Agreement at the end of the applicable calendar month to LANDLORD at the following address:

Grand Rapids-Itasca County Airport  
Attn: Finance Department  
420 North Pokegama Avenue  
Grand Rapids, Minnesota 55744

17. AUDIT. Pursuant to Minnesota Statutes, section 16C.05, subd. 5, the books, records, documents and accounting procedures and practices of LANDLORD relevant to this lease shall be subject to examination by the State and Legislative Auditor, as appropriate, for a minimum of six (6) years from the end of this lease.

18. GOVERNMENT DATA PRACTICES ACT COMPLIANCE.

18.1 LANDLORD must comply with the Minnesota Government Data Practices Act, Minnesota Statutes, Chapter 13, as it applies to all data provided by TENANT in accordance with this LEASE and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by LANDLORD in accordance with this LEASE. The civil remedies of Minnesota Statutes, section 13.08, apply to LANDLORD and TENANT.

18.2 Minnesota Statutes, Chapter 13, provides that all government data are public unless otherwise classified. If LANDLORD receives a request to release the data referred to in this Clause, LANDLORD must immediately notify TENANT and consult with TENANT as to how LANDLORD should respond to the request. LANDLORD'S response shall comply with applicable law, including that the response is timely and, if LANDLORD denies access to the data, that LANDLORD'S response references the statutory basis upon which LANDLORD relied. LANDLORD does not have a duty to provide public data to the public if the public data is available from TENANT.

19. NOTICES.

19.1 All notices or communications between LANDLORD and TENANT shall be in writing and deemed to have been given upon the occurrence of one of the following methods of delivery to the address noted in Section 18.2 herein.

- a. when personally delivered to the addressee; or
- b. on the second business day after sender has deposited the registered or certified mailing with the U.S. Postal Service; or
- c. one (1) business days after deposit with an overnight courier service; or
- d. via electronic mail to the e-mail addresses noted in Section 18.2 (provided such delivery is confirmed).

19.2 Mailing Addresses:

LANDLORD:

Grand Rapids-Itasca County Airport  
420 North Pokegama Avenue  
Grand Rapids, Minnesota 55744  
e-mail address: [mwegwerth@ci.grand-rapids.mn.us](mailto:mwegwerth@ci.grand-rapids.mn.us)

TENANT:

Minnesota Department of Natural Resources  
Division of Forestry  
402 SE 11<sup>th</sup> St  
Grand Rapids, MN 55744  
Forestry Assistant Wildfire Aviation Supervisor e-mail address:  
[matthew.woodwick@state.mn.us](mailto:matthew.woodwick@state.mn.us)  
DNR Lease Coordinator e-mail address: [julie.johansen@state.mn.us](mailto:julie.johansen@state.mn.us)

LANDLORD

GRAND RAPIDS-ITASCA COUNTY AIRPORT,  
by the Grand Rapids City Council through  
its designation of the parties joint powers agreement

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Dale Christy  
Mayor, City of Grand Rapids

ATTEST:

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Tom Pagel  
Administrator, City of Grand Rapids

STATE OF MINNESOTA  
Department of Natural Resources

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Susan E. Damon, Assistant Director  
Division of Lands and Minerals

STATE ENCUMBRANCE VERIFICATION

Individual certifies that funds have been encumbered  
as required by Minn. Stat. 16A.15 and 16C.05

Signed \_\_\_\_\_

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

Contract: \_\_\_\_\_

## EXHIBIT A

### Property Description and Site Plan

Approximately 7548 SF of land, bearing an address of 1500 SE 7th Avenue, Unit S,  
Grand Rapids, MN, which is legally described as:

the North 460 feet of the South 660 feet of the West 735 feet of the Southeast Quarter of the  
Southeast Quarter of Section 28, Township 55, Range 55, Itasca County, Minnesota

