

## LEASE AGREEMENT

THIS LEASE AGREEMENT, is made and entered into June 15, 2022, by and between The Shyft Group USA, Inc., a South Dakota corporation, with its principal office located at 41280 Bridge St., Novi, MI 48375 ("Shyft Group") as Lessee, and the City of Charlotte, of 111 E. Lawrence Ave., Charlotte, MI 48813 ("Lessor");

### WITNESSETH:

WHEREAS, Lessor is the owner and operator of the Fitch H. Beach Airport in the City of Charlotte, Eaton County, Michigan; and

WHEREAS, the Lessor desires to lease a part of the Airport property totaling approximately four (4) acres as depicted in Exhibit 1 (hereinafter referred to as the "Premises") to Shyft Group who desires to lease the premises for the purpose of storing partially completed vehicles pursuant to the terms and conditions hereinafter specified; and

WHEREAS, the Parties desire to enter into said Lease Agreement; and

WHEREAS, the Charlotte City Council, by lawful resolution, has authorized the Mayor and the City Clerk to execute this Lease Agreement at a public meeting conducted pursuant to the Michigan Open Meetings Act.

NOW, THEREFORE, in consideration of the mutual covenants and undertakings by the parties to be performed, the adequacy of which is acknowledged, it is hereby agreed as follows:

1. Lease of the Premises: Lessor, for and in consideration of the rents herein required to be paid by Shyft Group, and for and in consideration of the covenants to be kept and performed by Shyft Group, does hereby lease, let and demise unto the Shyft Group the premises described in Exhibit 1 for use by Shyft Group to store partially completed vehicles.

2. Term of the Lease: This Lease Agreement shall be for an initial term of three (3) months (the "Initial Term"). The Initial Term shall commence on the day following the execution of this Lease Agreement.

3. Extension of Term: At the end of the Initial Term, the Lease Agreement shall automatically renew for thirty (30) days, and every thirty (30) days thereafter (each a "Renewal Term" and with the Initial Term, the "Term"), on the same terms and conditions, unless the Shyft Group has notified Lessor in writing 30 days before the expiration of the Initial Term or current Renewal Term, that it does not want the Lease Agreement to renew, in such case the Lease Agreement will terminate at the end of the then current Initial Term or Renewal Term, as applicable. The Renewal Terms may not extend more than 90 days after the expiration of the Initial Term without City Council approval.

4. Rental Payments: Shyft Group shall pay to the Lessor during the Term as provided above, rent in the amount of Two Thousand Five Hundred Dollars (\$2,500) per month. The rent shall be payable to Lessor in monthly installments in advance on the first day of each calendar month, made payable and addressed to Lessor at the first address set forth above or such other place as Lessor may from time to time designate in writing.

5. Insurance, Utilities, and Maintenance Expenses:

A. The Shyft Group shall, at its expense, obtain and maintain during the Term premises liability insurance on the property naming Lessor as an additional named insured and comprehensive general liability insurance at limits referred to as One Million Dollars (\$1,000,000) combined single limits for bodily injury or property damage. Shyft Group shall provide Lessor with a certificate of insurance providing Lessor

with at least thirty (30) days' notice prior to cancellation or nonrenewal of the insurance.

B. Shyft Group shall be responsible for the payment of all costs of maintenance of the premises, including, without limitation, lawn mowing.

6. Covenants by Shyft Group: Shyft Group hereby covenants and agrees with the

Lessor as follows:

A. Shyft Group will keep the premises in a good state of repair during the Term and will be responsible for all ordinary maintenance and repairs.

B. Shyft Group will quit and surrender the premises at the expiration of the Term in a good state of repair and shall restore all damage, if any, caused by Shyft Group.

C. Shyft Group is a corporation in good standing and is authorized to enter into this agreement by those persons executing the Lease Agreement on behalf of the Shyft Group.

7. Covenants of the Lessor: The Lessor hereby covenants and agrees with Shyft Group as follows:

A. Upon receipt of monthly rentals and upon Shyft Group's observing and performing all the terms, covenants, and conditions to be performed by it, Shyft Group may peaceably have, hold, and occupy and enjoy the premises without hindrance or interference by Lessor or any other person or persons lawfully or equitably claiming by, through, or under the Lessor; provided, however, that this covenant shall not prohibit Lessor, or Lessor's agent, from examining the premises upon request at any reasonable time., provide such examination does not interfere with Shyft Group's operations.

B. Upon expiration of the Term, Shyft Group shall have the right to remove any landscaping installed by Shyft Group, provided Shyft Group shall restore the premises affected by such removal by grading, seeding, and mulching.

C. Lessor does not have a real estate brokerage or any other person or entity entitled to commission or compensation in connection with this Lease Agreement. Shyft Group is responsible for payment of all real estate brokerage commissions, lease fees, or other expenses incident to negotiating this lease or any renewal hereof, owing to its agent Advocate Commercial Real Estate Advisors, LLC.

8. Use of the Premises: Shyft Group covenants and agrees that the premises shall be used by it only for the purpose of providing storage for partially completed vehicles, and for no other purposes, except with the prior written consent of Lessor. Lessor agrees not to unreasonably withhold such consent.

9. Successors: This lease is binding upon the parties hereto, their heirs, and representatives, successors and assigns.

10. Entire Agreement: This Agreement shall constitute the entire agreement between the parties. Any prior understanding or representation of any kind preceding the date of the Agreement shall not be binding upon either party except to the extent incorporated in this Agreement.

11. Modifications in Writing: Any modification of this Agreement or additional obligation assumed by either party in connection with this Agreement shall be binding only if evidenced in a writing signed by each party or an authorized representative of each party.

12. Governing Law: It is agreed that this Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of Michigan.



13. Timeliness: It is specifically declared and agreed that time is of the essence of this Agreement.

14. Invalidity: The invalidity of any portion of this Agreement will not and shall not be deemed to affect the validity of any other provision. In the event that any provision of this Agreement is held to be invalid, the parties agree that the remaining provisions shall be deemed to be in full force and effect as if they had been executed by other parties subsequent to the expungement of the invalid provision.

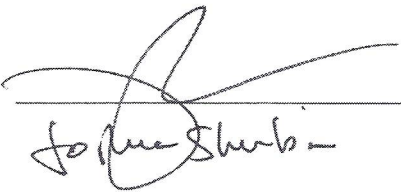

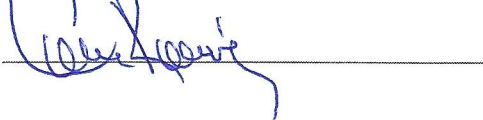
15. Titles: The titles to the paragraphs of this Agreement are solely for the convenience of the parties and shall not be used to explain, modify, simplify, or aid in the interpretation of the provision of this Agreement.

16. Notices and Addresses: Any notice provided for or concerning this Agreement shall be in writing and shall be deemed sufficiently given when sent by certified or registered mail if sent to the respective address of each party as set forth at the beginning of this Agreement.

17. Duplicates: This Agreement may be executed in counterparts, each of which shall be deemed an original, and such counterparts shall together constitute a single agreement.

IN WITNESS WHEREOF, the parties hereto have executed this lease at Charlotte, Michigan, on the day, month and year first above written.

Witnesses:

  
\_\_\_\_\_  
John Shurb  
  
\_\_\_\_\_  
Mikayla Penrose  
  
\_\_\_\_\_

LESSEE:

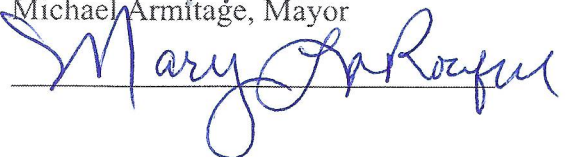
THE SHYFT GROUP USA, INC.

By:   
TODD A. HEAVIN, C.O.O.

LESSOR:

CITY OF CHARLOTTE

  
\_\_\_\_\_  
Michael Armitage, Mayor

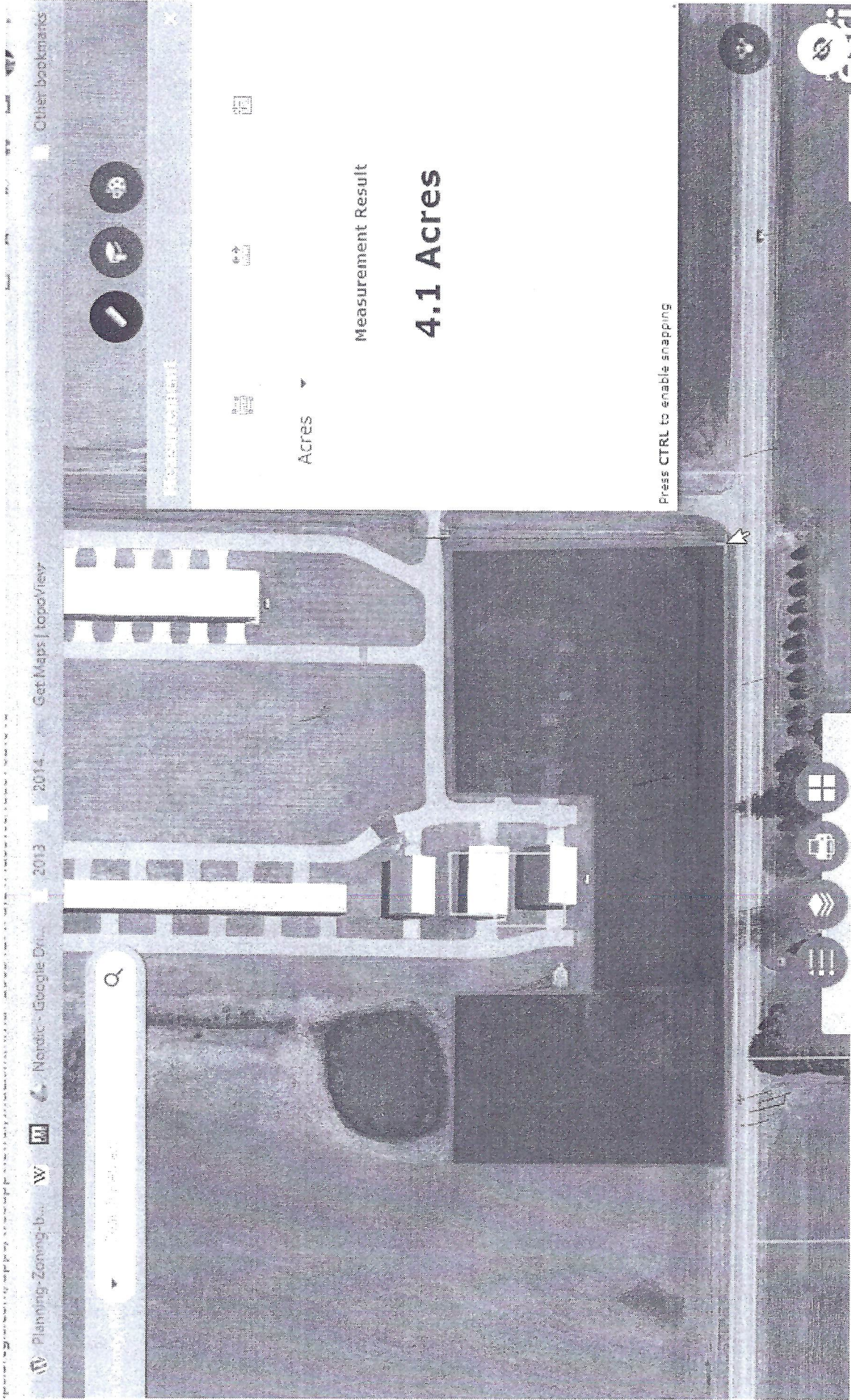
  
\_\_\_\_\_  
Mary LaRocca

Mary LaRocque, Clerk

Drafted by and approved as to form:  
Thomas M. Hitch (P25558)  
Charlotte City Attorney  
2900 West Rd., Suite 500  
East Lansing, MI 48823

EXHIBIT 1 - PREMISES





Measurement Result  
**4.1 Acres**

Press CTRL to enable snapping