

**PAYNESVILLE MUNICIPAL AIRPORT
TEE HANGAR LEASE**

This Agreement made this ____ day of _____, 200__ by and between the City of Paynesville, a municipal corporation (the "City") and _____ of _____, the (the "Tenant");

WHEREAS, the City owns and operates an airport known as the Paynesville Municipal Airport; and

WHEREAS, the City owns Tee Hangars constructed at the Paynesville Municipal Airport for purposes of rental to airplane owners for the purpose of storing their aircraft; and

WHEREAS, the City desires to lease to the Tenant one Tee Hangar for the purpose of aircraft storage; and

WHEREAS, the Tenant desires to lease one Tee Hangar for the purpose of storage of an aircraft;

NOW, THEREFORE, in consideration of the rents, covenants and agreements contained herein, the Tenant does hereby lease from the City and the City does hereby lease to the Tenant, the premises described below, together with rights and easements into the airport upon the following terms and conditions:

1) The City leases to the Tenant and the Tenant agrees to lease from the City a Tee Hangar located at the Paynesville Municipal Airport. This Lease provides for aircraft storage in a Tee Hangar and minimum electricity for lighting and miscellaneous use, but no heat or other utilities. This Lease covers Tee Hangar No. _____.

2) The term of the Lease shall be for a period of two (2) years commencing on the ____ day of _____, 200__. This Lease shall automatically renew as long as the terms of the Lease are not in default and neither the City nor the Tenant gives notice of intent to terminate in writing within the sixty (60) days prior to the two (2) year anniversary of the Lease.

3) Tenant shall pay to the City a rental charge of One Hundred Dollars (\$100.00) per month due and payable on or before the first day of each month in advance. The rent for the final month of the term shall be deposited at the time of the signing of this Lease and shall be security for the Tenant carrying out and completing all of the covenants, conditions and undertakings herein contained, including the payment of all rent due hereunder. Rent is due on the first day of each month. If rent is not paid by the 10th day of the month, it shall be considered late and a late payment fee of \$20.00 shall be assessed. Any payments received after the 10th day of the month and not accompanied by a late fee of \$20.00 may be rejected and returned. If rent is not paid as it comes due, the City may pursue the rights and remedies set forth below.

Rental amounts shall be reviewed and may be adjusted by the City on each two (2) year anniversary of the Lease. Tenant shall be given notice of any increase at least ninety (90) days prior to the two year anniversary of the lease.

4) Any desired alterations to the hangar (i.e., insulation, wiring, lighting, etc.) shall be submitted to the City in writing for approval prior to the undertaking of any such work. Any changes must meet Minnesota Building Code standards. The hangar shall be returned to previous conditions when the Tenant vacates, unless otherwise agreed in writing between the City and the Tenant.

5) No signs or advertising matter shall be erected by the Tenant without prior written consent of the City.

6) The Tenant shall keep the leased premises continually in a neat, clean and respectable condition, garbage and refuse of any kind to be removed at Tenant's expense. The Tenant shall return the leased premises to the same condition as delivered to the Tenant, reasonable wear and tear excepted. The Tenant shall remove any and all fixtures the Tenant has installed upon the leased premises at the termination of the Lease, and restore the premises following such fixture removal to its original condition unless otherwise agreed in writing between the Lessor and the Tenant.

7) The Tenant shall not suffer or permit any waste or nuisance on the leased premises, including specifically, but not exclusively, building materials or anything which interferes with the rights of other Tenants or the City in connection with the use of portions of the Airport not leased to the Tenant hereunder.

8) Tenant shall be responsible to obtain and maintain one fire extinguisher in Tenant's Tee Hangar. The fire extinguisher shall be properly maintained.

9) The Tenant shall have the right to the non-exclusive use in common with others of airport parking areas, appurtenances, improvements thereon; rights of ingress and egress from the leased premises, which rights shall extend to Tenant's employees, guests and patrons; and the rights in common with others authorized to do so, to use common areas of the airport, including runways, taxi ways, aprons, roadways, arrival and departure areas and other conveniences for take-off, flying and landing of aircraft, subject to charges for such use as may be established from time to time by the City.

10) The Tenant shall observe and obey all laws, ordinances, rules and regulations promulgated and enforced by the City, and by other proper authority having jurisdiction over the conduct of operations at the airport.

11) The Tenant shall not voluntarily or involuntarily assign, hypothecate or transfer this Lease or any interest therein without the prior written consent of the City. The Tenant shall not sublet the above premises without the prior written consent of the City.

12) The Tenant shall indemnify and agrees to defend and hold harmless the City from and against all claims, costs and expenses including but not limited to attorneys fees, damages and liabilities of any nature whatsoever that may be imposed on, incurred by, or asserted against the City by any person for any act or omission of the Tenant, its agents, employees, subsidiaries, licensees or invitees.

13) Each Tenant shall maintain such casualty and other insurance as the Tenant deems appropriate to protect the Tenant's interests in their personal property and any aircraft or equipment stored within their Tee Hangar.

14) If the Tenant fails to pay rent due hereunder within ten (10) days after the date due, or if the Tenant shall, by act or omission, violate any other terms, covenant or condition of this Lease, and shall fail to correct such violation within thirty (30) days after notice in writing to the Tenant of demand therefore, or if the Tenant shall be declared insolvent or adjudicated bankrupt, or make a general assignment for the benefit of the creditors, or if a receiver or trustee of the Tenant's property shall be appointed by any Court; or if the leased premises shall be abandoned; then and in any such events, the City may, without further notice or demand to the Tenant:

a) Immediately, or at any time thereafter, re-enter the leased premises and take possession thereof without such re-entry working as a forfeiture of rents or other charges to be pad and of the terms, covenants and conditions to be performed by the Tenant for the full term of the Lease, and in the event of such re-entry, the City may proceed for the collection of the rents or other charges to be paid under this Lease or for such other proper measure of damages; or

b) Terminate this Lease by written notice and re-enter the leased premises, and the Tenant covenants in case of such termination to indemnify the City against all loss of rent and expense which the City has suffered or paid by reason of such termination, during the residue of the term.

The City shall have all other rights and remedies, including injunctive relief, ejection, or summary proceedings in unlawful detainer, and any other legal remedies, actions and proceedings. All such rights and remedies are cumulative.

15) The City reserves the right to enter the leased premises at any time for the purpose of making any inspection it deems expedient to proper enforcement of any of the covenants and conditions of this Agreement. The City will make a reasonable effort to contact the Tenant before entering the Tenant's Tee Hangar.

When possible the Tenant shall be allowed to accompany a City representative in entering the leased premises for inspection purposes.

16) Tenant's shall not place any additional locking devices on the service door to the Tenant's Tee Hangar.

17) The use of the premises shall be for the purpose of storage of aircraft. Tenant shall provide proof of an ownership interest in the aircraft stored in the leased space. An ownership interest would include rights in the aircraft through a rental or lease agreement or a share of ownership. Incidental storage of other items owned by the Tenant shall be permitted, provided that the Tenant continue to store an aircraft within the facility. The hangar must not be used for general storage. There shall be no outside storage of any kind. No one shall stay overnight in the hangar facility. Where the aircraft stored in a hangar is owned by multiple parties, all parties with an ownership interest in the aircraft shall sign this Tee Hangar lease.

18) In no case shall any hazardous materials of any type be stored within the leased facilities. There shall be no storage of containers of 100 octane aviation fuel except such fuel within aircraft's fuel tank in the leased facility. In hangars occupied by aircraft which use gasoline other than 100 octane aviation fuel, gasoline may be stored in proper gas cans not to exceed two six gallon containers. No barrels are permitted.

19) The City reserves the right to further develop or improve the landing area of the airport as it sees fit, regardless of the desires or view of the Tenant, and without interference or hindrance.

20) The City reserves the right, but shall not be obligated to the Tenant to maintain and repair the landing area of the Airport and all publicly owned facilities of the Airport, together with the right to direct and control all activities of the Tenant in that regard.

21) The City reserves the right to take any action it considers necessary to protect aerial approaches to the Airport against obstruction, together with the right to protect the Tenant from erecting or permitting to be erected any building or other structure on the Airport which, in the sole opinion of the City, would limit the usefulness of the Airport or constitute a hazard to aircraft.

22) The waiver by the City of any breach of any term or covenant or condition herein contained shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant or condition contained herein

23) Tenant shall not conduct commercial operations from the leased premises without the City's written approval.

24) All notices provided by law or by this Lease to be given to the Tenant or to the City must be in writing. Notice to the City shall be directed to the City Administrator of the City of Paynesville at 221 Washburne Avenue, Paynesville, MN 56362. Notice to the Tenant shall be sent to the Tenant at _____ . The City or Tenant may designate a new address by written notice as provided herein. Notice shall be deemed given as of the date such notice is deposited, postage paid in the United States mail.

25) If it shall be in the public interest, the City shall have the power to condemn this Lease even though it is itself a party to the Lease.

26) This Lease shall be subordinate to the provisions of any existing or future agreement between the City and the United States of America or the State of Minnesota relative to the operation or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the expenditure of Federal or State funds for the development of the Airport. This Lease constitutes the sole agreement between the parties. There are no oral or contemporaneous agreements which are not contained herein. This Agreement may not be modified except in writing, signed by the Mayor and the City Administrator on behalf of the City and by the Tenant. The provisions of this Lease are severable. The invalidity of a particular term shall not affect the validity of any other term.

27) The Tenant, for itself, its personal representatives, successors or assigns, does hereby covenant and agree that:

a) No person on the grounds of race, color or national origin shall be excluded from the right to use the above-described premises if the Tenant shall decide to sublet any portion of the premises;

b) That in the construction of any improvements on, over or under the above-described premises and the furnishing of services thereon, no person on the grounds of race, color or national origin shall be excluded from participating in, denied the benefits of or otherwise subjected to discrimination; and

c) That the Tenant shall use the premises in compliance with the requirements imposed by or pursuant to Title 49, Code of Federal Regulations, and all regulations of the Minnesota Department of Transportation, Office of Aeronautics, and in compliance with the Civil Rights Act of 1964.

28) Hangar doors shall be kept closed and locked and all lights shall be turned off except when the facilities are being used. Vehicles must be parked so as not to interfere with aircraft or snow removal operations.

29) Snow removal and maintenance of ground surrounding the Tee Hangars will be the responsibility of the City. Snow will be removed at a distance from the hangar door which can be safely accomplished without incurring damage to the hangar or the snow removal equipment. Snow removal operations will be accomplished in accordance with priorities set forth by the City of Paynesville snowplowing policy. Removal of any snow or ice remaining after plowing operation ceases is the responsibility of the Tenant.

CITY OF PAYNESVILLE:

TENANT:

By: _____
Jeff Thompson, Mayor

By: _____

By: _____
Renee Eckerly, City Administrator