



Agenda  
City Council Work Session  
City of Mora, Minnesota

Mora City Hall  
101 Lake St. S  
Mora, MN 55051

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Thursday, August 19, 2021

5:00 PM

Mora City Hall

1. Call to Order
2. Roll Call
3. Adopt Agenda
4. Mora Municipal Airport Hangar Land Lease Agreement
5. Adjournment





# MEMORANDUM

Date: August 19, 2021  
To: Mayor and City Council  
From: Beth Thorp, Community Development Director  
RE: Mora Municipal Airport Hangar Land Lease Agreement

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## SUMMARY

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The City Council will review and discuss changes to the hangar land lease agreement as recommended by the Airport Board.

## DISCUSSION

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The Airport Board was approached by a group of pilots and hangar owners at its December 2020 meeting with concerns about changes to the hangar land lease agreement (agreement) which had been approved by the City Council in August 2020. Many of these concerns were summarized by Dustin Paulson in an email sent to city staff (attached). The Airport Board requested the opportunity to review the agreement and provide the council with suggested changes and the council agreed. The Airport Board began its review in January 2021 and made its final recommendation regarding the agreement at its June 2021 meeting. The Airport Board's recommended changes are attached for the council's review and consideration.

The Airport Board had initially completed its review of the agreement in April 2021 and the board's recommended changes were then reviewed by city administration and the city attorney. After reviewing and discussing feedback in May, the board chose to continue its review and made additional recommended changes. The staff report prepared for the Airport Board's May 11, 2021 meeting, detailing comments provided by city administration and the city attorney, is attached.

The following is a summary of proposed changes to the current hangar land lease agreement:

- Title Block
  - Addition of "For Privately Owned Hangars" to create a distinction between privately owned and city owned hangars.
  
- Section 3. Proof of Aircraft Ownership
  - Deletion of Section 3 in its entirety and addition of new language regarding hangar ownership. The Airport Board pointed out that not all hangars are currently owned by pilots or aircraft owners, explaining that some retired pilots and individuals working toward becoming pilots sometimes own hangars.
  
- Section 4. Aircraft Registration
  - Deletion of Section 4 in its entirety and addition of new language regarding use of the hangar. The Airport Board does not believe that hangars should be limited to only to storage of aviation related items but rather that they should be used for the majority purpose of storing aircraft and related aviation items. This will allow hangar owners to store other personal belongings, such as

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classic cars, campers, motorcycles, etc. The board also believes that the agreement should not require that all aircraft be registered or considered airworthy, explaining that hangar owners / pilots could be in the process of repairing or building aircraft within the hangar.

- Section 7. Construction of Private Buildings on Premises
  - Subsection b. Deletion of first two sentences. The Airport Board feels strongly that owners of private hangars should not be subject to the same regulations as tenants in city owned hangars. The board also feels strongly that private hangar owners should not be prohibited from storing a limited amount of non-aviation related items or that private hangar owners should be required to get city approval for these items. (see also proposed Section 4)
  - Subsection e. The Airport Board is proposing a change from off-white to white exterior improvements (walls and roof). The board is also proposing added language to make it clear that the exterior improvement requirements only applied to new construction.
  
- Section 11. Default
  - Subsection a. (4). Deletion of “subleases”. The Airport Board does not believe that hangar owners should be prohibited from renting space to other aircraft owners and therefore proposed the deletion of several references to subleasing. (See also proposed Section 16).
  
- Section 12. Termination Provisions
  - Subsection b. Addition of language to create a clear understanding of the amount of time required before a hangar is considered abandoned or vacated and language to define the terms “desertion, abandonment, or vacation”.
  
- Section 14. Liability and Indemnification
  - Subsection a. The Airport Board feels that this section is confusing and believes that it is intended to be three separate subsections. The board is not proposing that any language be added or deleted.
  
- Section 15. Insurance
  - Subsection a. (2). Deletion of language specifying the amount of coverage and addition of language stating that the tenant must only provide the city with proof of insurance.
  - Subsection a. (3). Deletion of Subsection a. (3) in its entirety. The Airport Board believes that this section relates only to commercial use of the hangar, which does not apply given that commercial activity is not allowed. The board also has concerns with the dollar amount required, explaining that this is not a standard amount and it would be extremely difficult to obtain.
  
- Section 16. Transferring, Subletting, Selling
  - The Airport Board does not believe that hangar owners should be prohibited from renting space to other aircraft owners and therefore created two subsections pertaining to “subleasing”.
    - Proposed Subsection a. Addition of language to explain requirements for providing notification to city.
    - Proposed Subsection b. Addition of language to define “sublease / subleasing” and explain regulations pertaining to subleasing hangar space.
  
- Section 17. Right of Entry
  - Deletion of “at any time” to create a less heavy-handed approach.

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- Section 21. Commercial Use
  - Addition of language to create a clear understanding of the term “commercial activities” due to certain activities - such as repair, maintenance, and restoration – taking place in hangars in a non-commercial capacity.

For more detail about all of the proposed changes, refer to minutes from the following Airport Board meetings:

- January 12, 2021  
[https://www.ci.mora.mn.us/sites/g/files/vyhlif6086/f/minutes/january\\_12\\_2021\\_airport\\_board\\_meeting\\_minutes\\_approved.pdf](https://www.ci.mora.mn.us/sites/g/files/vyhlif6086/f/minutes/january_12_2021_airport_board_meeting_minutes_approved.pdf)
- February 9, 2021  
<https://www.ci.mora.mn.us/airport-board/minutes/airport-board-meeting-minutes-1>
- March 9, 2021  
[https://www.ci.mora.mn.us/sites/g/files/vyhlif6086/f/minutes/march\\_9\\_2021\\_airport\\_board\\_meeting\\_minutes\\_approved.pdf](https://www.ci.mora.mn.us/sites/g/files/vyhlif6086/f/minutes/march_9_2021_airport_board_meeting_minutes_approved.pdf)
- April 13, 2021  
[https://www.ci.mora.mn.us/sites/g/files/vyhlif6086/f/minutes/april\\_13\\_2021\\_airport\\_board\\_meeting\\_minutes\\_approved.pdf](https://www.ci.mora.mn.us/sites/g/files/vyhlif6086/f/minutes/april_13_2021_airport_board_meeting_minutes_approved.pdf)
- May 11, 2021  
[https://www.ci.mora.mn.us/sites/g/files/vyhlif6086/f/minutes/may\\_11\\_2021\\_airport\\_board\\_meeting\\_minutes\\_approved.pdf](https://www.ci.mora.mn.us/sites/g/files/vyhlif6086/f/minutes/may_11_2021_airport_board_meeting_minutes_approved.pdf)
- June 8, 2021  
[https://www.ci.mora.mn.us/sites/g/files/vyhlif6086/f/minutes/june\\_8\\_2021\\_airport\\_board\\_meeting\\_minutes\\_approved.pdf](https://www.ci.mora.mn.us/sites/g/files/vyhlif6086/f/minutes/june_8_2021_airport_board_meeting_minutes_approved.pdf)

In addition to the suggested changes to the agreement, the Airport Board motioned at its June meeting recommending to the City Council that all hangar owners enter into the updated hangar land lease agreement for the full 20-year term regardless of current lease / remaining term of current lease, and that all hangar owners shall enter into the updated hangar land lease agreement within one year from the date its approved by the City Council.

### RECOMMENDATIONS

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Review the draft hangar land lease agreement and provide feedback, directing staff as appropriate.

### *Attachments*

Email from Dustin Paulson  
Current hangar land lease agreement  
Draft hangar land lease agreement (with tracked changes)  
Staff report prepared for May 11, 2021 Airport Board meeting



**From:** Dustin Paulson [<mailto:dkp891@gmail.com>]  
**Sent:** Monday, November 30, 2020 9:21 PM  
**To:** Kelly Erickson <[kerickson@cityofmora.com](mailto:kerickson@cityofmora.com)>  
**Subject:** Hangar Land Lease Agreement

Hi Kelly,

I am sending this email to register some concerns with the new proposed Hangar Land Lease Agreement that I recently received and was asked to sign and return before 12/07/2020.

After reviewing the new agreement, it appears to have been written using language that was aimed more at prospective tenants wishing to rent space in a city owned hangar as opposed to an agreement for leased parcels of land that private individuals will or have invested significant amounts of their own money to build or buy privately owned hangars to meet their needs.

As city owned hangars, you would expect to see some of the requirements in this agreement used for what can be stored, and what activities are permissible in a publicly owned hangar space, especially like the one the city currently owns, where multiple aircraft owners share the same space, or in new T-hangars when the city eventually builds those.

Subletting that space at possibly a higher rent than the original lessee is paying because of high demand, or for non-aircraft storage when other people are looking for aircraft storage space wouldn't be something that the city or the aircraft owners would like to see. Nor would non-aviation related activities that may pose a threat to other stored aircraft be something that could be tolerated.

However if a private individual spends the money required to build a large enough hangar space to house multiple aircraft, and sublets some of that space to another aircraft owner to help defray their cost of building / maintaining / insuring that hangar, it seems like that should be an acceptable activity, and is meeting an aviation need for all concerned. Even if that hangar owner becomes unable to continue to fly, but wants to continue renting out space in his hangar for other aircraft owners to store their planes, it seems like this would be meeting both the spirit and needs of the local aviation community. As long as the primary purpose of the hangar is aircraft storage, or an aviation related activity, they shouldn't be required to personally own a registered, airworthy aircraft as long as their hangar is still used for that as its primary purpose.

The Airport Advisory Board was formed approximately 22 years ago when then City Administrator Steve Jones decided that the crosswind runway should be shut down for the expansion of the industrial park, and not be replaced. He did this without giving the local aviation community the opportunity for input on the decision making process. When the local and regional area pilots complained to the FAA about that fact, the FAA suggested that the city council form an airport advisory board to help advise the council in the decision making process on airport matters, since then, as now, none of the council or administration member were pilots or involved with aviation, and may not have the same perspective on matters involving the airport that those who use the airport regularly do. This was also the beginning of the crosswind runway replacement process.

The airport is a significant community asset, and as such, decisions like this warrant having the input of all those involved taken into consideration in order for it to be something that they all understand and buy into, and to maintain a harmonious city/airport community relationship that fosters the promotion of the city through the airport.

I would like to see the current request for hangar owners to return signed agreements by Dec. 7th be postponed until owners have had time to make their concerns known, the Advisory Board review those concerns and makes recommendations, the council review those recommendations, and either accepts them or sends back their concerns to the board for further review, and make further recommendations to address them.

We've had a two page lease agreement up until now, and while it may not have been perfect, it seemed to work fairly well. Maybe we should start out this agreement review process by asking what issues have come up that the old agreement did not address, and can the old agreement be minimally modified to address those issues without the onerous amount of new requirements the proposed new 10 page agreement appears to place upon the current private hangar owners.

I've included below some of the concerns I had in reviewing the new proposed agreement, and I am sure some of the other hangar owners have many if not all the same concerns, as well as some I'm sure I may not have thought of.

I request that this email message be forwarded to both the city council members as well as the city administrator for their consideration.

Thanks!  
Dustin Paulson  
Former 16 year Airport Advisory Board Member

Here are a list of concerns as they pertain to the proposed new hangar lot lease contract in the order they are written in the contract.

1) None

2) None

3/4) If a tenant is in the process of either restoring a certified aircraft, or constructing an experimental kit aircraft (about 10%, or 33,000 of aircraft in the USA), they most likely won't have a current aircraft registration, nor an airworthy aircraft. These projects often are lengthy undertakings (my GlaStar took 8.5 years to build), and would not meet the 120 day requirement.

5) None

6) None

7) a. The old lease specifically allowed the storage of aircraft, automobiles, boats, and RV's, and many of the current owners either bought or built their hangars knowing that in addition to aircraft, that these other items could be stored there as well.

b. There is no reference to the City owned hangar use restrictions in the previous hangar lot lease agreement, and while we wouldn't expect a tenant of the City owned hangar to be able to store an automobile under the wing of their stored plane, the lot lease tenant in many cases has gone to much greater expense to either buy or build their own hangar just to be able to enjoy such additional activity, as well as providing extra security to their aircraft, and storage, by controlling access to their hangar, where the City hangar has multiple tenants with access.

c. None



d. None

e. None

f. I think most of the current hangars have a white steel roof, not galvanized steel.

g-j. None

8 a. None

b. I think if the City feels there is something that need attention on a hangar site, that they should notify the tenant of this, and only after giving the tenant an adequate time frame to rectify the deficiency, then cause the required maintenance to be performed at the tenant's expense, with the steps described.

c. Snow removal has always been done in front of the T- hangars as the taxiways extend right up to their doors. Snow removal in front of the other hangars started several years ago to both provide the same level of service to all hangar tenants as well as address the issue of lack of space between hangars to blow snow without placing it either on a neighboring hangars apron, or into the taxiway, and to prevent banks between hangars that would impede sliding hangar doors from opening, and access to fire hydrants. This also allowed the City to construct narrower paved taxiways between hangars than the full width ones adjacent to the T-hangars.

9) None

10) None

11) a. 1-2 None

3. There are several hangar owners who may not be in the area for extended periods of time throughout the year, and inspection of their hangars within 10 days after notification may not provide an adequate time frame for them to comply without causing undue expense and inconvenience to the tenant. So except in the case of an emergency, the City should provide an adequate time frame for the tenant to comply based on the tenant's circumstances at the time of the City's request.

4-5. None

6) What period of time is used for the definition of abandonment?

7-9. None

b. 1-4 None

c-d. None

12) a. None

b. What time period is used to determine if the premises is deserted / abandoned?

c-d. None

13. None

14. This appears to say that if a City employee were to damage a hangar or its contents accidentally the City could not be held liable for the cost of the actual damages, and the hangar owner would bear the cost of any damages themselves.

Just looking for clarification here.

15) 1. None

2. Why is the City requiring comprehensive insurance on the tenants personal property located on the Leased Premises? Shouldn't this be at the discretion of the tenant whether they want to take on this risk vs insuring for it?

3. The liability limits requested are much higher than the state requirements for either aircraft or automobiles. The MN requirement for aircraft is 100,000 per passenger seat /300,000 per occurrence for non-passengers. and for autos considerably less, although many policies use the 100/300 limits. In talking with my aircraft insurance agent, she said she didn't think Global Aerospace would even quote a policy with that limit, and if they did, it would be prohibitively expensive. Does the city require this level of liability insurance from lot lessees at Eastwood mobile home park, or automobiles that park or drive on city property or are the state requirements adequate for all other areas or city owned property.

4. None

b-e. None

16) There are currently hangars on the field that are rented out for use by aircraft owners other than the owners.

17) Right of Entry should be with adequate notice to the owner unless a bonafide emergency presents a clear and present danger to the hangar and surrounding buildings such as an obvious fire.

18) None

19) None

20) None

21) There are aircraft activities that include the repair, restoration, and maintenance of aircraft which are permitted by the FAA to be done by the owner on his own aircraft, and should not be considered as a commercial use, which is not clear in this lease agreement. Also aircraft owners frequently hire certified aircraft mechanics to perform the required annual inspections on their planes, and these inspections, and any necessary repairs/maintenance are frequently then done in the aircraft owners hangar, however the mechanic is not using the hangar as their place of business for planes other than the hangar owners/renters.

22) What licensure requirements are being referred to?

23) None

24) a-m. None

Thanks for your consideration of these concerns.

**CITY OF MORA  
MORA MUNICIPAL AIRPORT  
HANGAR LAND LEASE AGREEMENT**

This Agreement ("Lease"), made this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, is made between the City of Mora, a public corporation of the State of Minnesota, at 101 Lake Street South, Mora, Minnesota 55051 ("City") and \_\_\_\_\_ ("Tenant") for the purpose of outlining the rights and responsibilities of the parties to this Lease. The parties agree as follows:

1. **Lease of Airport Property.** The Tenant leases from the City a private hangar lot, as described on a map located at Mora City Hall. The lot is situated upon the Mora Municipal Airport, located at 2085 Mahogany St., Mora, MN 55051, an airport owned by the City ("Airport"). This Lease is for lot # \_\_\_\_ (hereinafter referred to as "Premises"). The Premises is leased together with land and any improvements that may have been placed on it.
  
2. **Use of the Airport.**
  - a. The Tenant has the privilege of using the public portions of the airport in common with other users. Tenant shall have the right to conduct all operations authorized pursuant to the terms of this Lease, provided, however, that this Lease shall not be deemed to grant to Tenant, or those claiming under Tenant, the exclusive right to use any part or portion of the airport other than the premises. Use of the airport is subject to the rules and conditions as now exist or may be enacted in the future by the City, the State of Minnesota, or the United States government. The Tenant is subject to customary charges for such use as may be established from time to time by the City.
  
  - b. Nothing in this Lease shall be constructed as obliging City to maintain and operate the public portions of the airport during the entire term of this lease. It is specifically understood and agreed between Tenant and City that City has the right and power to discontinue and terminate all public airport activities at the airport at any time it deems advisable and upon such discontinuance and termination, would not be liable to Tenant in damages and would have no obligations to Tenant, except as otherwise provided by law. In the event City discontinues and terminates all public airport activities on the airport, Tenant shall have the right to terminate this lease effective on the date of such discontinuance and termination as effective on the first day of any month thereafter by giving Lessor sixty (60) days written notice of such termination.
  
3. **Proof of Aircraft Ownership.** Tenant shall maintain appropriate registration and certifications on all airworthy aircraft that are stored on the Premises. If Tenant does not own an aircraft at the time of the commencement of this Lease or sells all airworthy aircraft, this Lease shall terminate unless Tenant has obtained an aircraft which stored on the Premises within one hundred twenty (120) days.

The City may allow the Tenant a single one hundred twenty (120) day extension to obtain an aircraft. Tenant shall have proof that the Tenant is working toward acquiring an airworthy aircraft during periods when the Tenant does not own and operate one.

4. **Aircraft Registration.** Tenant agrees that any aircraft that is based at, stored at, or utilizes the facility under the Lease, shall be currently in compliance with the airport registration requirements set forth in Minnesota Statutes Chapter 360.

**5. Term of this Lease.**

- a. **Initial Term.** The term of this Lease shall be twenty (20) years ("Term"), commencing on \_\_\_\_\_, 20\_\_\_\_ ("Commencement Date") and expiring, unless earlier terminated, on \_\_\_\_\_, 20\_\_\_\_.

**6. Lease Payments.** Tenant agrees to pay the City:

- a. **Hangar Land Lease Rent.** The Tenant shall pay the City rent for the Premises in the amount of \$\_.10\_\_\_\_\_ per square foot per year, as determined by outside dimensions of the building or continue with the current rate for an existing tenant. Rent is due for the calendar year in advance to be paid annually by the 31<sup>st</sup> day of January, beginning January 31, 20\_\_\_\_. Rent shall be paid to City at the address specified in this Lease. Rent shall be pro-rate for any portion of a calendar year.
- b. **Adjustment of Rent.** The City reserves the right to adjust rent each five-year anniversary date of this Lease by an amount not to exceed ten percent (10%) of the rent preceding the anniversary date of the Lease. Tenant shall pay in full on or before the five year anniversary date of the lease the pro-rated amount of the increased rent for the months remaining in the calendar year.
- c. **Late Fee.** If Tenant fails to pay any fees when due to City, Tenant shall pay a late fee which is the lesser of ten percent (10%) on any past due balance.

**7. Construction of Private Buildings on Premises.**

- a. Any structure built upon the Premises shall be constructed in compliance with applicable building codes and any building requirements established by the City Council. The building and any attachments and appurtenances, other than ramps or driveways, must be located entirely upon the Premises. Any building constructed shall be used for the sole purpose of storage of aircraft registered or leased to the Tenant and related aviation purposes.
- b. Uses of any building on Premises are subject to the same restrictions place on City-owned hangars. Any uses of the building, other than aircraft storage, shall be described and approved by the City, in writing.
- c. The Tenant agrees that any building shall be constructed at no cost to the City. In the event the Tenant has not completed construction of the building on the Premises within twelve (12) months from the date of this Lease, the City may terminate the Lease without further obligation to the Tenant.
- d. Prior to construction of any building located on Premises, the Tenant shall furnish to the City, for the Airport Advisory Board's review and the City Council's approval, the plans for the building, and provide the estimated cost of completing the building. The Tenant shall provide the City with a letter of credit, bond, or other security with a surety satisfactory to the City conditioned upon the commencement, completion of and payment for the construction of the building; and against loss or damage by reason of mechanics lien. City staff may specify the acceptable form of surety.
- e. The Tenant shall obtain the necessary regulatory authority and permits from the City. All construction shall be completed in a professional like manner and shall be in conformity with building codes, ordinances, and other regulations applicable to the City and Mora Municipal Airport.

- f. Tenant shall construct aircraft storage facilities that conform to the City approved plans and design standards approved by the City Council. These design standards may include color, style, size, and other aesthetic requirements. Construction and significant improvement may not begin before receiving written authority from the City. Hangars and exterior improvements shall be painted an off-white color with brown trim. The roof shall be pitched and made of galvanized steel.
- g. Tenant shall pay the entire cost of such construction, and shall pay the entire cost of utility services and other required buildings systems. The Tenant shall pay all site improvement costs, including but not limited to grading, gravel, bituminous, concrete, utility installations, and any other improvements required on the leased property. Tenant shall not permit filing of any mechanic liens against the premises.
- h. Other than the hangar described in Paragraph 7 of this Lease, Tenant shall not construct or place on the Premises any structure or improvement without the written consent of the City, both as to the location and type of structure to be constructed or placed on the Premises. Tenant must submit to City a formal application describing the improvement to be made.
- j. Tenant shall not erect or permit to be erected on the Premises or on the exterior of any building any sign or any type without the prior written consent of the City.

**8. Maintenance of Leased Property.**

- a. Tenant, at its own cost and expense, shall take good care of the Premises and any buildings or structures placed thereon. Tenant shall keep and maintain the Premises in good order and repair and in a clean and neat condition. Tenant shall not be allowed to store items outside of the building located on the Premises.
- b. Tenant shall not permit any waste or nuisance on the Premises nor permit anything on the Premises to interfere with the rights of other tenants of the City or uses of the airport. In the event the Premises is not properly maintained, the City may, after notifying the Tenant, cause the property to be maintained. The costs of maintenance and an administrative fee will be billed to the Tenant and become Tenant's responsibility. Unpaid billings shall be certified to property taxes in the manner provided by law.
- c. The cost of customary maintenance routinely performed by the City, related to areas affecting the value or use of Premises, are included in the annual lease costs charged for the Premises, and except as otherwise provided herein, includes snow removal, grounds maintenance and maintenance of apron areas. Snow removal is performed by City employees on a priority basis. The City of Mora reserves the right to perform snow removal functions in whatever manner it deems necessary. In any case, snow removal in front of buildings is the Tenant's responsibility. The City is not required to perform any snow removal function on Premises, but may plow on or adjacent to leased properties to expedite other snow removal operations at the airport. Mowing and weed control are the Tenant's responsibility; however, the City may mow or perform weed control adjacent to leased properties to expedite other maintenance operations. The City shall establish the standards by which ramp areas and other paved surfaces are maintained.

**9. Hazardous Materials.** Tenant shall not store hazardous materials on the Premises except those such materials normal to and reasonably necessary for aircraft operation and such maintenance operations reasonably conducted on the Premises. All hazardous materials shall be stored, handled, and disposed of properly in accordance with all local, state and federal rules

and regulations, and any spill or discharge shall be immediately reported to the City. Improper storage, use, handling, or disposal of hazardous materials shall be grounds for termination of this Lease.

#### **10. Taxes, Assessments and Other Charges.**

- a. In addition to other charges identified in this Lease, the Tenant shall pay all taxes, assessments, licenses, fees, or other charges that may be imposed by any other governmental authority during the Term of this Lease upon the Premises, buildings, improvements or property located thereon, or upon Tenant's use or occupancy, for whatever term deemed applicable to Tenant by that governmental authority. Tenant shall pay these amounts without deduction or set-off against Rent to be paid under this Lease.
- b. Tenant shall pay for all water, sanitary sewer, gas, electricity, telephone, refuse collection, charges or other similar charges used on or attributable to the Premises, together with any connection fees, taxes, penalties, interest or surcharge associated with such utilities and charges.

#### **11. Default.**

- a. **Events of Default.** Any of the following shall constitute a default under this Lease:
  - (1) Tenant fails to pay money owed to City under this Lease when due, and such failure continues for ten (10) days after written notice from City to Tenant.
  - (2) Tenant uses the Premises for any purpose not expressly authorized by this Lease and such default continues for ten (10) days following written notice from City to Tenant.
  - (3) Tenant fails to allow an inspection in accordance with the terms and conditions of this Lease and such default continues for ten (10) days following written notice from City to Tenant.
  - (4) Tenant assigns, subleases or transfers this Lease except as otherwise permitted, and such default continues for ten (10) days following written notice from City to Tenant.
  - (5) Tenant fails to carry the insurance required under this Lease; any insurance required under this Lease is cancelled, terminated, expires or is reduced or materially changed so as to not comply with this Lease; or City receives notice of any such conditions, and such failure continues for a period of ten (10) days following written notice from City to Tenant.
  - (6) Tenant vacates or abandons the Premises, and such default continues for ten (10) days following written notice from City to Tenant.
  - (7) Tenant fails to discharge, by payment or bond, any lien, or encumbrance placed upon the Premises or improvements in violation of this Lease within thirty (30) days following written notice from City to Tenant that any such lien or encumbrance is filed against the Premises and/or improvements.
  - (8) Tenant (a) makes a general assignment for the benefit of creditors; (b) commences any case, proceeding or other action seeking to have an order for relief entered or to adjudicate Tenant bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, liquidation, dissolution or composition of it or its debts or seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any

substantial part of its property; or (c) involuntarily becomes the subject of any proceeding for relief which is not dismissed within sixty (60) days of its filing or entry.

(9) Tenant fails to comply with any other term or condition of this Lease and such default continues for more than thirty (30) days after written notice from City to Tenant, or for a longer period of time as may be reasonably necessary to cure the default, but only if: (i) Tenant is reasonably capable of curing the default, and (ii) is working diligently as determined by City to cure the default.

b. **City Remedies.** If a default occurs, City, at its option and in its sole discretion, may at any time thereafter do one or more of the following to the extent permitted by applicable law:

(1) City may, without releasing Tenant from its obligations under the Lease, attempt to cure the default. City may enter the Premises for such purpose and take such action as it deems necessary to cure the default. This entry is not an eviction of Tenant or a termination of this Lease;

(2) With legal process, but without further notice to Tenant, re-enter the Premises or any part thereof and take possession of it fully and absolutely, without such re-entry working a forfeiture of the money to be paid and the terms and conditions to be performed by Tenant for the full Term of this Lease. City's re-entry of the Premises is not a termination of this Lease. In the event of such re-entry, City may proceed for the collection of money to be paid under this Lease or for properly measured damages;

(3) Terminate this Lease upon written notice to Tenant and re-enter the Premises and Tenant covenants in the case of such termination to indemnify City against all loss of rents and expenses during the remainder of the term; and

(4) Exercise all other rights and remedies including injunctive relief, ejectment, or summary proceedings such as an eviction action and any other lawful remedies, actions or proceedings.

In the event of any default and for any type of remedy chosen by City, Tenant shall reimburse City for all reasonable fees and costs incurred by City, including reasonable attorneys' fees, relating to such default and/or the enforcement of City's rights hereunder, and costs incurred attempting to cure a default. Any and all legal remedies, actions, and proceedings shall be cumulative.

c. **Cumulative Default.** Except as specifically set forth herein, the remedies provided under this Lease shall be deemed to be cumulative and non-exclusive and the election of one remedy shall not be deemed to be to be the waiver of any other remedy with regard to any occasion of default hereunder.

d. **Default of Other Agreements.** A default by Tenant of any other agreement between Tenant and City shall constitute of default of this Lease. Notice of a default in another agreement shall be deemed notice of default under this Lease.

## 12. Termination Provisions.

a. At the termination of this Lease the Tenant has the right to removing all buildings and property placed upon the Premises. The Tenant shall have a period of ninety (90) days from the termination date to remove property. In the event the Tenant cannot complete the removal within ninety (90) days, the City may grant an extension of time in its sole

discretion, for up to six (6) months, if the Tenant can demonstrate the reasons for failure to remove property within the ninety (90) day period are beyond the control of the Tenant. If the Tenant does not remove the property within the period granted by the City, the City may retain ownership of the building and property for any municipal purpose.

- b. If the Premises becomes deserted, abandoned or vacated, the City may terminate the Lease. If the Tenant's interest in the property is taken by process of law, the City may terminate the Lease. If the buildings or properties on the Premises are destroyed, the City or Tenant shall have the right to terminate this Agreement upon giving written notice to the other party.
- c. Should the Premises be declared condemned by the City, either because the airport is closed to the public or the property is needed for another municipal purpose, the City shall provide the Tenant with ninety (90) days' notice of such action. In the event the Tenant cannot complete the removal within ninety (90) days, the City may grant an extension of time, in its sole discretion, for up to six (6) months, if the Tenant can demonstrate the reasons for failure to remove property are beyond the control of the Tenant.
- d. Tenant may cancel this agreement and all or any of his obligations hereunder at any time by giving thirty (30) days written notice to the Lessor. Tenant shall not be entitled to any refund of rent paid in the event of such cancellation.

**13. Surrender of Premises.** At the expiration of the term of this Lease and any renewal or extension, or sooner termination, Tenant shall surrender the leased Premises in as good condition as it was at the date of the commencement of this Lease. Tenant shall, at Tenant's own expense, remove the building described in Paragraph 7 of this Lease, as well as any other improvements placed on the Premises by Tenant, unless the parties otherwise agree. Tenant must repair any damage to the Premises caused by the removal within thirty (30) days.

**14. Liability and Indemnification.**

- a. Tenant agrees to indemnify and hold City harmless from any and all loss, damage, claims, judgments, litigation expenses and costs for any injury to persons or damage to property from any act or omission of Tenant, its employees, agents, subsidiaries, licensees, guests, invitees, successors or assigns while on or about the Airport or the Leased Premises, and the City shall not be liable to any extent for, nor will Tenant make any claim against the City for or on account of any injury, loss or damage to the Premises, the buildings or structures thereon, the personal property and facilities located therein, or to any person or property at any time on the Premises whether occasioned by fire, water, smoke, steam, gas, electricity or other agency or instrumentality which may come or be on the Leased Premises or occasioned by any other cause. Nothing in this Lease shall cause the City in any way to be construed as partner, joint venturer or associated in any way with Tenant in the operation of the Premises, or subject the City to any obligation, loss, charge or expense connected with or arising from the operation or use of the Premises or any part thereof. Nothing in this Lease shall constitute a waiver or limitation of any immunity or limitation on liability to which the City is entitled under Minnesota Statutes, Chapter 466 or otherwise. The provisions of this section shall survive expiration or earlier termination of this lease. The furnishing of the required insurance shall not be deemed to limit Tenant's obligations under this Section.

**15. Insurance.**

- a. Tenant shall maintain the following insurance policies during the term of the Lease:



- (1) Aircraft liability insurance with limits of coverage not less than as required pursuant to the Minnesota Statute Section 360.59 Subdivision 10, and may be amended.
- (2) At all times during the Term of this Lease, Tenant shall keep all personal property of Tenant located on the Leased Premises, including all aircraft, insured against fire, vandalism, malicious mischief, and windstorm loss or damage for an aggregate amount equal to one hundred percent (100%) of the fair market value of the personal property or the insurable value, whichever is greater. The policies shall be in a form satisfactory to City, and copies of the insurance policies or certificates thereof evidencing such coverage and that such insurance is payable to Tenant.
- (3) Commercial General Liability Insurance on an "occurrence" rather than on a "claims made" basis, with a total combined policy limit of not less than the limitation of liability of City under Minnesota Statutes Chapter 466 (currently \$1,500,000), or any successor statute, which policy shall include, but not be limited to, coverage for Bodily Injury, Property Damage, Personal Injury and Contractual Liability (applying to this Lease), or an equivalent form (or forms), so long as such equivalent form (or forms) affords coverage which is at least as broad as the above. Such policy shall name City as an additional insured. Tenant agrees to increases in the minimum insurance requirements to the extent that the liability limits provided in Minnesota Statute Section 466.04 are increased. Current limits are as follows:

Comprehensive Liability Insurance: \$1,500,000 combined single limit for bodily injury and/or property damage per occurrence and an aggregate limit of \$1,500,000 and twice the limits provided when a claim arises out of the release or threatened release of hazardous substances

Automobile Liability Insurance covering all owned and non-owned automobiles or vehicles with a \$1,500,000 combined single limit for bodily injury and/or property damage per occurrence and aggregate limit of \$1,500,000.

The insurance policy shall also insure damage related to the operations conducted in and on the Premises and the Airport and shall include contractual liability. Policies for such liability coverage shall be in a form and issued by an insurer reasonably acceptable to City and shall require at least thirty (30) days prior written notice to City of material alteration and at least ten (10) days prior written notice in the event of cancellation. Tenant's liability insurance shall be primary with respect to City and its agents and not participating with any other available insurance. Tenant shall deliver to City on the Commencement Date of this Lease and on each Anniversary Date thereafter insurer certified copies of such policies, certificates or other evidence reasonably satisfactory to City confirming the terms of such insurance, confirming that premiums thereon have been paid and confirming that the policies are in full force and effect.

- (4) In addition to the general liability provided under Paragraph 14, it is specifically agreed between the parties that the Tenant shall be responsible in all respects for the Tenant's use of or Tenant's general of or release or threatened release of any petroleum based substance or product, or any volatile organic compound, or any substance classified as a pollutant, contaminant, toxic substance, solid waste or "hazardous waste" by either the Environmental Protection Agency or the Minnesota Pollution Control Agency. Tenant shall specifically be responsible for the disposition of all such waste or substances and

for the environmental response activities and costs, monitoring or cleanup of any environmental condition deemed by those agencies or either of them to require environmental response, monitoring or cleanup activities of any kind which arises out of Tenant's use of or Tenant's generation of such substances in its operations at the Airport or use of the Premises, and Tenant agrees that the obligations under this Paragraph 15 shall apply specifically to any costs or obligations of the City arising out of any such disposition or cleanup.

- b. It is understood that the specified amounts of insurance stated herein shall in no way limit the liability of the Tenant.
- c. For any construction on the Premise, Tenant shall require all contractors and sub-contractors to maintain insurance in accordance with this Paragraph 15.
- d. In accordance with the subrogation provisions of the standard property insurance contract, it is hereby understood and agreed by and between the undersigned parties that they do jointly and separately waive any or all right of recovery against the other for insured loss occurring to the real property owned by City and personal property owned by the Tenant all while located at the Premises.
- e. Tenant shall not use or permit the Premises to be used in any manner that would void Tenant's or the City's insurance or increase the insurance risk. Tenant shall comply with all requirements imposed by the insurers for the City and Tenant.

**16. Transferring, Subletting, Selling.** The Tenant shall not assign, transfer, sublet, sell, or mortgage any interest in this Lease, the Premises, or in the improvements located on the property without first obtaining the written consent of the City, whose consent is subject to the City's sole discretion. The Tenant is strictly prohibited from subletting the Premise. Failure to obtain written consent or sublet shall be sufficient grounds for terminating this Lease without obligation of the City to the Tenant.

**17. Right of Entry.** The City reserves the right to enter, at any time, upon the Premises and any building on the Premises for the purpose of inspection to determine compliance with all terms of this Agreement. Reasonable efforts will be made to notify Tenant of such entry before entry is made.

**18. Discrimination Provision.** The Tenant, in the use of the Mora Municipal Airport, shall not discriminate or permit discrimination against any person or group of persons on the grounds of race, color, or national origin or in any manner prohibited by Part 21 of the Regulations of the Office of the United States Secretary of Transportation, and the Tenant further agrees to comply with any requirement made to enforce such regulation which may be demanded of the City by the United States Government under authority of said Part 21.

**19. Civil Rights.** Tenant agrees that it will comply with applicable laws, statutes and rules that are promulgated to assure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or handicap be excluded from participating in any activity conducted with or benefiting from federal assistance. This provision obligates Tenant or its transferee for the period during which federal assistance is extended to the airport, except where federal assistance is to provide, or is in form of personal property or real property or interest therein or structures or improvements thereon. In these cases, the provision obligates the party or any transferee for the longer of the following periods: (1) the period during which the property is used by the sponsor or any transferee for a purpose for which federal assistance is extended, or for another purpose involving the provision of

similar services or benefits; or (2) the period during which the airport sponsor or any transferee retains ownership or possession of the property.

**20. Laws, Rules and Regulations.**

- a. The Tenant shall abide by and conform with all laws, rules, and regulations, including future amendments thereto, controlling or in any manner affecting the Tenant relative to the use or occupancy of the Tenant. Tenant shall comply with all rules, minimum standards, and field regulations with respect to control of ground and air traffic and use of the airport as established by City from time to time and Tenant shall abide by all rules, regulations, and orders of the Minnesota Department of Transportation and the Federal Aviation Administration and other lawful authorities with respect to aircraft operations and use of the leased premises.
- b. Tenant agrees that any aircraft which is based from, stored at or using the Premises shall be in compliance with all applicable aircraft registration requirements, including, but not limited to, those set forth in Minnesota Statutes Chapter 360. The Tenant shall provide aircraft make, model and tail number for all aircrafts based from, stored at or used at the Premises annually to the City.

**21. Commercial Use.** Tenant must indicate to City at time of signing that the leased property will be used to conduct commercial activities and obtain written permission from the City to conduct such activities, which the City may grant or deny in its sole discretion. Any wish to alter the use of the property to include commercial activity during the term of this Lease requires prior written consent of the City. Failure to notify the City and obtain written consent as described above shall be grounds for immediate termination of this Lease. Commercial activities include repair, restoration, maintenance or rental of aircraft. No commercial activity which is not directly related to aeronautics is permitted. No outdoor storage of planes or equipment is permitted in the hangar area. Any hangar constructed or used to conduct commercial activities shall comply with any and all applicable City building code requirements for commercial buildings.

**22. Verification.** Tenant shall meet verification of all licensure requirements of the City of Mora, State of Minnesota and / or the United States Government to legally comply with this Lease, prior to use of the Premises and upon reasonable request by the City.

**23. Subordination.** 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, execution of which has been or may be required as a written precedent to the expenditure of Federal or State funds for the development or maintenance of the Airport and to orders of the State or Local Government concerning Airport Operations or Government response to safety or military needs.

**24. General Provisions.**

- a. **Airport Access.** Tenant has the privilege of using the public portions of the Airport, such as runways and other public facilities, under such terms, ordinances, rules and regulations as now exist or may be enacted by the City, and subject to charges for such use as may be established by the City, by ordinance or agreement with Tenant.
- b. **Waiver.** The waiver by the City or the Tenant of any breach of any term of this Lease shall not be deemed a waiver of any prior or subsequent breach of the same term or any other term of this Lease.

- c. **Headings.** The headings in this Lease are for convenience in reference and are not intended to define or limit the scope of any provision of this Lease.
- d. **Entire Lease; Amendments.** This Lease represents the entire agreement between the parties and supersedes any prior agreements regarding the Premises. This Lease may only be amended or modified if done in writing and executed by all parties to this Lease.
- e. **Severability.** If any part of this Lease shall be held invalid, it shall not affect the validity of the remaining parts of this Lease, provided that such invalidity does not materially prejudice either party under the remaining parts of this Lease.
- f. **Choice of Law and Venue.** This Lease shall be governed by and construed in accordance with the laws of the State of Minnesota. Any disputes, controversies, or claims arising out of this Lease shall be heard in the state or federal courts of Minnesota, and all parties to this Lease waive any objection to the jurisdiction of these courts, whether based on convenience or otherwise.
- g. **Public Data.** City shall use reasonable care to treat matters pertaining to Tenant in a confidential manner to the extent permitted by law. This Lease, and the information related to it, are subject to the Minnesota Government Data Practices Act, which presumes that data collected by City is public data unless classified otherwise by law.
- h. **Commitments to Federal and State Agencies.** Nothing in this Lease shall be construed to prevent City from making such commitments as it desires to the Federal Government or the State of Minnesota in order to qualify for the expenditure of Federal or State funds on the Airport.
- i. **Successors.** This Lease shall extend to bring the legal representatives, successors, and assigns of the parties to this Lease.
- j. **Relationship of Parties.** Nothing contained in this Lease shall be deemed to create a partnership, association, or joint venture between the City and the Tenant, or to create any other relationship between the parties other than that of landlord and tenant.
- k. **Multiple Parties.** If more than one person or entity is named as the Tenant, the obligations of the Tenant shall be the joint and several responsibilities of all persons or entities named as Tenant.
- l. **Consent and Approvals.** Whenever in this Lease the consent or approval of the City is required, such phrase means the formal approval or consent of the City through a meeting of the Mora City Council.
- m. **Notice.** Any notice required under this Lease shall be in writing and delivered in person or by courier or mailed by certified mail, return receipt requested by United States Mail, postage prepaid addressed as follows:

If to the City:                      City of Mora  
   Attn: Airport Manager  
   101 Lake Street South  
   Mora, MN 55051

If to the Tenant: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Notice is deemed given (i) three (3) business days after being deposited in the mail, whether or not the notice is accepted by the named recipient, or (ii) if delivered by any other means, the date such notice is actually received by the named recipient. Either party may change the party's address for notice by providing written notice to the other party.

This Lease shall not take effect until it has been approved by the City Council of the City of Mora.

**IN WITNESS WHEREOF**, City and Tenant have executed this Lease as of the dates indicated below.

CITY: **CITY OF MORA**  
  
By: \_\_\_\_\_  
Title: Mayor  
  
Date: \_\_\_\_\_

TENANT: \_\_\_\_\_  
  
By: \_\_\_\_\_  
Title: \_\_\_\_\_  
  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Title: City Administrator  
  
Date: \_\_\_\_\_

TENANT: \_\_\_\_\_  
  
By: \_\_\_\_\_  
Title: \_\_\_\_\_  
  
Date: \_\_\_\_\_

**CITY OF MORA  
MORA MUNICIPAL AIRPORT  
HANGAR LAND LEASE AGREEMENT FOR PRIVATELY OWNED HANGARS**

This Agreement ("Lease"), made this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, is made between the City of Mora, a public corporation of the State of Minnesota, at 101 Lake Street South, Mora, Minnesota 55051 ("City") and \_\_\_\_\_ ("Tenant") for the purpose of outlining the rights and responsibilities of the parties to this Lease. The parties agree as follows:

1. **Lease of Airport Property.** The Tenant leases from the City a private hangar lot, as described on a map located at Mora City Hall. The lot is situated upon the Mora Municipal Airport, located at 2085 Mahogany St., Mora, MN 55051, an airport owned by the City ("Airport"). This Lease is for lot # \_\_\_\_ (hereinafter referred to as "Premises"). The Premises is leased together with land and any improvements that may have been placed on it.
2. **Use of the Airport.**
  - a. The Tenant has the privilege of using the public portions of the airport in common with other users. Tenant shall have the right to conduct all operations authorized pursuant to the terms of this Lease, provided, however, that this Lease shall not be deemed to grant to Tenant, or those claiming under Tenant, the exclusive right to use any part or portion of the airport other than the premises. Use of the airport is subject to the rules and conditions as now exist or may be enacted in the future by the City, the State of Minnesota, or the United States government. The Tenant is subject to customary charges for such use as may be established from time to time by the City.
  - b. Nothing in this Lease shall be construed as obliging City to maintain and operate the public portions of the airport during the entire term of this lease. It is specifically understood and agreed between Tenant and City that City has the right and power to discontinue and terminate all public airport activities at the airport at any time it deems advisable and upon such discontinuance and termination, would not be liable to Tenant in damages and would have no obligations to Tenant, except as otherwise provided by law. In the event City discontinues and terminates all public airport activities on the airport, Tenant shall have the right to terminate this lease effective on the date of such discontinuance and termination as effective on the first day of any month thereafter by giving Lessor sixty (60) days written notice of such termination.

3. **Hangar Ownership.** This Lease does not prohibit an individual who does not own or operate aircraft from owning a hangar or entering into this Lease. Further, this Lease does not require that the aircraft stored on the Premises be owned by the Tenant.
4. **Use of the Hangar.** The Premises shall be used for the majority purpose of storing aircraft and related aviation items. This Lease does not prohibit the storage of aircraft which are unregistered or not considered airworthy.

**Deleted: 3. Proof of Aircraft Ownership.** Tenant shall maintain appropriate registration and certifications on all airworthy aircraft that are stored on the Premises. If Tenant does not own an aircraft at the time of the commencement of this Lease or sells all airworthy aircraft, this Lease shall terminate unless Tenant has obtained an aircraft which stored on the Premises within one hundred twenty (120) days.¶

¶  
The City may allow the Tenant a single one hundred twenty (120) day extension to obtain an aircraft. Tenant shall have proof that the Tenant is working toward acquiring an airworthy aircraft during periods when the Tenant does not own and operate one.¶

¶  
**4. Aircraft Registration.** Tenant agrees that any aircraft that is based at, stored at, or utilizes the facility under the Lease, shall be currently in compliance with the airport registration requirements set forth in Minnesota Statutes Chapter 360.¶

5. **Term of this Lease.**

- a. **Initial Term.** The term of this Lease shall be twenty (20) years ("Term"), commencing on \_\_\_\_\_, 20\_\_\_\_ ("Commencement Date") and expiring, unless earlier terminated, on \_\_\_\_\_, 20\_\_\_\_.

6. **Lease Payments.** Tenant agrees to pay the City:

- a. **Hangar Land Lease Rent.** The Tenant shall pay the City rent for the Premises in the amount of \$\_.10\_\_\_\_\_ per square foot per year, as determined by outside dimensions of the building or continue with the current rate for an existing tenant. Rent is due for the calendar year in advance to be paid annually by the 31st day of January, beginning January 31, 20\_\_\_\_. Rent shall be paid to City at the address specified in this Lease. Rent shall be pro-rate for any portion of a calendar year.
- b. **Adjustment of Rent.** The City reserves the right to adjust rent each five-year anniversary date of this Lease by an amount not to exceed ten percent (10%) of the rent preceding the anniversary date of the Lease. Tenant shall pay in full on or before the five year anniversary date of the lease the pro-rated amount of the increased rent for the months remaining in the calendar year.
- c. **Late Fee.** If Tenant fails to pay any fees when due to City, Tenant shall pay a late fee which is the lesser of ten percent (10%) on any past due balance.

7. **Construction of Private Buildings on Premises.**

- a. Any structure built upon the Premises shall be constructed in compliance with applicable building codes and any building requirements established by the City Council. The building and any attachments and appurtenances, other than ramps or driveways, must be located entirely upon the Premises. Any building constructed shall be used for the sole purpose of storage of aircraft registered or leased to the Tenant and related aviation purposes.
- b. The Tenant agrees that any building shall be constructed at no cost to the City. In the event the Tenant has not completed construction of the building on the Premises within twelve (12) months from the date of this Lease, the City may terminate the Lease without further obligation to the Tenant.
- c. Prior to construction of any building located on Premises, the Tenant shall furnish to the City, for the Airport Advisory Board's review and the City Council's approval, the plans for the building, and provide the estimated cost of completing the building. The Tenant shall provide the City with a letter of credit, bond, or other security with a surety satisfactory to the City conditioned upon the commencement, completion of and payment for the construction of the building; and against loss or damage by reason of mechanics lien. City staff may specify the acceptable form of surety.
- d. The Tenant shall obtain the necessary regulatory authority and permits from the City. All construction shall be completed in a professional like manner and shall be in conformity with building codes, ordinances, and other regulations applicable to the City and Mora Municipal Airport.
- e. Tenant shall construct aircraft storage facilities that conform to the City approved plans and design standards approved by the City Council. These design standards may include color, style, size, and other aesthetic requirements. Construction and significant improvement may not begin before receiving written authority from the City. Hangars and

**Deleted:** <#>Uses of any building on Premises are subject to the same restrictions place on City-owned hangars. Any uses of the building, other than aircraft storage, shall be described and approved by the City, in writing.¶¶

exterior improvements shall be painted with white walls, white roof and brown trim. The roof shall be pitched and made of galvanized steel. These requirements shall only apply to new construction; existing hangars will not be required to comply with these requirements unless the Tenant is replacing entire exterior components (i.e. roof, trim, or walls).

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- f. Tenant shall pay the entire cost of such construction, and shall pay the entire cost of utility services and other required buildings systems. The Tenant shall pay all site improvement costs, including but not limited to grading, gravel, bituminous, concrete, utility installations, and any other improvements required on the leased property. Tenant shall not permit filing of any mechanic liens against the premises.
- g. Other than the hangar described in Paragraph 7 of this Lease, Tenant shall not construct or place on the Premises any structure or improvement without the written consent of the City, both as to the location and type of structure to be constructed or placed on the Premises. Tenant must submit to City a formal application describing the improvement to be made.
- h. Tenant shall not erect or permit to be erected on the Premises or on the exterior of any building any sign or any type without the prior written consent of the City.

**8. Maintenance of Leased Property.**

- a. Tenant, at its own cost and expense, shall take good care of the Premises and any buildings or structures placed thereon. Tenant shall keep and maintain the Premises in good order and repair and in a clean and neat condition. Tenant shall not be allowed to store items outside of the building located on the Premises.
- b. Tenant shall not permit any waste or nuisance on the Premises nor permit anything on the Premises to interfere with the rights of other tenants of the City or uses of the airport. In the event the Premises is not properly maintained, the City may, after notifying the Tenant, cause the property to be maintained. The costs of maintenance and an administrative fee will be billed to the Tenant and become Tenant's responsibility. Unpaid billings shall be certified to property taxes in the manner provided by law.
- c. The cost of customary maintenance routinely performed by the City, related to areas affecting the value or use of Premises, are included in the annual lease costs charged for the Premises, and except as otherwise provided herein, includes snow removal, grounds maintenance and maintenance of apron areas. Snow removal is performed by City employees on a priority basis. The City of Mora reserves the right to perform snow removal functions in whatever manner it deems necessary. In any case, snow removal in front of buildings is the Tenant's responsibility. The City is not required to perform any snow removal function on Premises, but may plow on or adjacent to leased properties to expedite other snow removal operations at the airport. Mowing and weed control are the Tenant's responsibility; however, the City may mow or perform weed control adjacent to leased properties to expedite other maintenance operations. The City shall establish the standards by which ramp areas and other paved surfaces are maintained.

- 9. **Hazardous Materials.** Tenant shall not store hazardous materials on the Premises except those such materials normal to and reasonably necessary for aircraft operation and such maintenance operations reasonably conducted on the Premises. All hazardous materials shall be stored, handled, and disposed of properly in accordance with all local, state and federal



rules and regulations, and any spill or discharge shall be immediately reported to the City. Improper storage, use, handling, or disposal of hazardous materials shall be grounds for termination of this Lease.

**10. Taxes, Assessments and Other Charges.**

- a. In addition to other charges identified in this Lease, the Tenant shall pay all taxes, assessments, licenses, fees, or other charges that may be imposed by any other governmental authority during the Term of this Lease upon the Premises, buildings, improvements or property located thereon, or upon Tenant's use or occupancy, for whatever term deemed applicable to Tenant by that governmental authority. Tenant shall pay these amounts without deduction or set-off against Rent to be paid under this Lease.
- b. Tenant shall pay for all water, sanitary sewer, gas, electricity, telephone, refuse collection, charges or other similar charges used on or attributable to the Premises, together with any connection fees, taxes, penalties, interest or surcharge associated with such utilities and charges.

**11. Default.**

- a. **Events of Default.** Any of the following shall constitute a default under this Lease:
  - (1) Tenant fails to pay money owed to City under this Lease when due, and such failure continues for ten (10) days after written notice from City to Tenant.
  - (2) Tenant uses the Premises for any purpose not expressly authorized by this Lease and such default continues for ten (10) days following written notice from City to Tenant.
  - (3) Tenant fails to allow an inspection in accordance with the terms and conditions of this Lease and such default continues for ten (10) days following written notice from City to Tenant.
  - (4) Tenant assigns or transfers this Lease except as otherwise permitted, and such default continues for ten (10) days following written notice from City to Tenant.
  - (5) Tenant fails to carry the insurance required under this Lease; any insurance required under this Lease is cancelled, terminated, expires or is reduced or materially changed so as to not comply with this Lease; or City receives notice of any such conditions, and such failure continues for a period of ten (10) days following written notice from City to Tenant.
  - (6) Tenant vacates or abandons the Premises, and such default continues for ten (10) days following written notice from City to Tenant.
  - (7) Tenant fails to discharge, by payment or bond, any lien, or encumbrance placed upon the Premises or improvements in violation of this Lease within thirty (30) days following written notice from City to Tenant that any such lien or encumbrance is filed against the Premises and/or improvements.
  - (8) Tenant (a) makes a general assignment for the benefit of creditors; (b) commences any case, proceeding or other action seeking to have an order for relief entered or to adjudicate Tenant bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, liquidation, dissolution or composition of it or its debts or seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or

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any substantial part of its property; or (c) involuntarily becomes the subject of any proceeding for relief which is not dismissed within sixty (60) days of its filing or entry.

- (9) Tenant fails to comply with any other term or condition of this Lease and such default continues for more than thirty (30) days after written notice from City to Tenant, or for a longer period of time as may be reasonably necessary to cure the default, but only if: (i) Tenant is reasonably capable of curing the default, and (ii) is working diligently as determined by City to cure the default.
- b. **City Remedies.** If a default occurs, City, at its option and in its sole discretion, may at any time thereafter do one or more of the following to the extent permitted by applicable law:
- (1) City may, without releasing Tenant from its obligations under the Lease, attempt to cure the default. City may enter the Premises for such purpose and take such action as it deems necessary to cure the default. This entry is not an eviction of Tenant or a termination of this Lease;
  - (2) With legal process, but without further notice to Tenant, re-enter the Premises or any part thereof and take possession of it fully and absolutely, without such re-entry working a forfeiture of the money to be paid and the terms and conditions to be performed by Tenant for the full Term of this Lease. City's re-entry of the Premises is not a termination of this Lease. In the event of such re-entry, City may proceed for the collection of money to be paid under this Lease or for properly measured damages;
  - (3) Terminate this Lease upon written notice to Tenant and re-enter the Premises and Tenant covenants in the case of such termination to indemnify City against all loss of rents and expenses during the remainder of the term; and
  - (4) Exercise all other rights and remedies including injunctive relief, ejectment, or summary proceedings such as an eviction action and any other lawful remedies, actions or proceedings.

In the event of any default and for any type of remedy chosen by City, Tenant shall reimburse City for all reasonable fees and costs incurred by City, including reasonable attorneys' fees, relating to such default and/or the enforcement of City's rights hereunder, and costs incurred attempting to cure a default. Any and all legal remedies, actions, and proceedings shall be cumulative.

- c. **Cumulative Default.** Except as specifically set forth herein, the remedies provided under this Lease shall be deemed to be cumulative and non-exclusive and the election of one remedy shall not be deemed to be the waiver of any other remedy with regard to any occasion of default hereunder.
- d. **Default of Other Agreements.** A default by Tenant of any other agreement between Tenant and City shall constitute of default of this Lease. Notice of a default in another agreement shall be deemed notice of default under this Lease.

## 12. Termination Provisions.

- a. At the termination of this Lease the Tenant has the right to removing all buildings and property placed upon the Premises. The Tenant shall have a period of ninety (90) days from the termination date to remove property. In the event the Tenant cannot complete the removal within ninety (90) days, the City may grant an extension of time in its sole

discretion, for up to six (6) months, if the Tenant can demonstrate the reasons for failure to remove property within the ninety (90) day period are beyond the control of the Tenant. If the Tenant does not remove the property within the period granted by the City, the City may retain ownership of the building and property for any municipal purpose.

- b. If the Premises becomes deserted, abandoned or vacated for a continuous period of twelve (12) months, the City may terminate the Lease. For the purpose of this agreement, desertion, abandonment, or vacation shall be defined as the Tenant's relinquishment of his/her interest, claim, or right to the premises with the intent of never again resuming or reasserting it. If the Tenant's interest in the property is taken by process of law, the City may terminate the Lease. If the buildings or properties on the Premises are destroyed, the City or Tenant shall have the right to terminate this Agreement upon giving written notice to the other party.
- c. Should the Premises be declared condemned by the City, either because the airport is closed to the public or the property is needed for another municipal purpose, the City shall provide the Tenant with ninety (90) days' notice of such action. In the event the Tenant cannot complete the removal within ninety (90) days, the City may grant an extension of time, in its sole discretion, for up to six (6) months, if the Tenant can demonstrate the reasons for failure to remove property are beyond the control of the Tenant.
- d. Tenant may cancel this agreement and all or any of his obligations hereunder at any time by giving thirty (30) days written notice to the Lessor. Tenant shall not be entitled to any refund of rent paid in the event of such cancellation.

13. **Surrender of Premises.** At the expiration of the term of this Lease and any renewal or extension, or sooner termination, Tenant shall surrender the leased Premises in as good condition as it was at the date of the commencement of this Lease. Tenant shall, at Tenant's own expense, remove the building described in Paragraph 7 of this Lease, as well as any other improvements placed on the Premises by Tenant, unless the parties otherwise agree. Tenant must repair any damage to the Premises caused by the removal within thirty (30) days.

**14. Liability and Indemnification.**

- a. Tenant agrees to indemnify and hold City harmless from any and all loss, damage, claims, judgments, litigation expenses and costs for any injury to persons or damage to property from any act or omission of Tenant, its employees, agents, subsidiaries, licensees, guests, invitees, successors or assigns while on or about the Airport or the Leased Premises, and the City shall not be liable to any extent for, nor will Tenant make any claim against the City for or on account of any injury, loss or damage to the Premises, the buildings or structures thereon, the personal property and facilities located therein, or to any person or property at any time on the Premises whether occasioned by fire, water, smoke, steam, gas, electricity or other agency or instrumentality which may come or be on the Leased Premises or occasioned by any other cause.
- b. Nothing in this Lease shall cause the City in any way to be construed as partner, joint venturer or associated in any way with Tenant in the operation of the Premises, or subject the City to any obligation, loss, charge or expense connected with or arising from the operation or use of the Premises or any part thereof.
- c. Nothing in this Lease shall constitute a waiver or limitation of any immunity or limitation on liability to which the City is entitled under Minnesota Statutes, Chapter 466 or otherwise.

**Commented [BT1]:** The consensus of the board was that the first and second (beginning with "Nothing in this lease shall cause the city...") parts of this section contradict each other. The consensus of the board was that this section needed to be separated into three sections to provide clarity.

The provisions of this section shall survive expiration or earlier termination of this lease. The furnishing of the required insurance shall not be deemed to limit Tenant's obligations under this Section.

**15. Insurance.**

- a. Tenant shall maintain the following insurance policies during the term of the Lease:
  - (1) Aircraft liability insurance with limits of coverage not less than as required pursuant to the Minnesota Statute Section 360.59 Subdivision 10, and may be amended.
  - (2) At all times during the Term of this Lease, Tenant shall keep all personal property of Tenant located on the Leased Premises, including all aircraft, insured against fire, vandalism, malicious mischief, and windstorm loss or damage. Tenant shall provide City with insurance carrier and policy number.
  - (3) In addition to the general liability provided under Paragraph 14, it is specifically agreed between the parties that the Tenant shall be responsible in all respects for the Tenant's use of or Tenant's general of or release or threatened release of any petroleum based substance or product, or any volatile organic compound, or any substance classified as a pollutant, contaminant, toxic substance, solid waste or "hazardous waste" by either the Environmental Protection Agency or the Minnesota Pollution Control Agency. Tenant shall specifically be responsible for the disposition of all such waste or substances and for the environmental response activities and costs, monitoring or cleanup of any environmental condition deemed by those agencies or either of them to require environmental response, monitoring or cleanup activities of any kind which arises out of Tenant's use of or Tenant's generation of such substances in its operations at the Airport or use of the Premises, and Tenant agrees that the obligations under this Paragraph 15 shall apply specifically to any costs or obligations of the City arising out of any such disposition or cleanup.
- b. It is understood that the specified amounts of insurance stated herein shall in no way limit the liability of the Tenant.
- c. For any construction on the Premise, Tenant shall require all contractors and sub-contractors to maintain insurance in accordance with this Paragraph 15.
- d. In accordance with the subrogation provisions of the standard property insurance contract, it is hereby understood and agreed by and between the undersigned parties that they do jointly and separately waive any or all right of recovery against the other for insured loss occurring to the real property owned by City and personal property owned by the Tenant all while located at the Premises.
- e. Tenant shall not use or permit the Premises to be used in any manner that would void Tenant's or the City's insurance or increase the insurance risk. Tenant shall comply with all requirements imposed by the insurers for the City and Tenant.

**16. Transferring, Selling and Subletting Subleasing.**

- a. If Tenant assigns, transfers, sells, or mortgages any interest in this Lease, the Premises, or in the improvements located on the property, both Tenant and new owner must notify the City of the transaction and the new owner shall enter into a lease agreement with the City. Failure to notify the City of the transaction and/or failure of the new owner to enter

**Deleted:** for an aggregate amount equal to one hundred percent (100%) of the fair market value of the personal property or the insurable value, whichever is greater. The policies shall be in a form satisfactory to City, and copies of the insurance policies or certificates thereof evidencing such coverage and that such insurance is payable to Tenant

**Deleted:** ~~Commercial General Liability Insurance on an "occurrence" rather than on a "claims made" basis, with a total combined policy limit of not less than the limitation of liability of City under Minnesota Statutes Chapter 466 (currently \$1,500,000), or any successor statute, which policy shall include, but not be limited to, coverage for Bodily Injury, Property Damage, Personal Injury and Contractual Liability (applying to this Lease), or an equivalent form (or forms), so long as such equivalent form (or forms) affords coverage which is at least as broad as the above. Such policy shall name City as an additional insured. Tenant agrees to increases in the minimum insurance requirements to the extent that the liability limits provided in Minnesota Statute Section 466.04 are increased. Current limits are as follows:~~

~~¶ Comprehensive Liability Insurance: \$1,500,000 combined single limit for bodily injury and/or property damage per occurrence and an aggregate limit of \$1,500,000 and twice the limits provided when a claim arises out of the release or threatened release of hazardous substances~~

~~¶ Automobile Liability Insurance covering all owned and non-owned automobiles or vehicles with a \$1,500,000 combined single limit for bodily injury and/or property damage per occurrence and aggregate limit of \$1,500,000~~

~~¶ The insurance policy shall also insure damage related to the operations conducted in and on the Premises and the Airport and shall include contractual liability. Policies for such liability coverage shall be in a form and issued by an insurer reasonably acceptable to City and shall require at least thirty (30) days prior written notice to City of material alteration and at least ten (10) day~~ ...

**Deleted:** , Subletting,

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**Deleted:** The

**Deleted:** shall not

**Deleted:** sublet,

**Deleted:**

**Deleted:** without first obtaining the written consent of the City, whose consent is subject to the City's sole discretion. The Tenant is strictly prohibited from subletting the Premise.

into a lease agreement with the City, shall be sufficient grounds for terminating this Lease without obligation of the City to the Tenant ~~or new owner.~~

**Deleted:** obtain written consent

**Deleted:** or sublet

b. ~~If Tenant has excess space in the Premises, Tenant may sublet sublease a portion of the Premises for part or all of the remainder of the Term. For the purpose of this agreement, sublease or subleasing shall be defined as renting a portion of the Premises to a third party (Subtenant) subject to (1) – (5) below.~~

**Formatted:** Strikethrough

(1) ~~Subtenant is subject to all of the terms and conditions of this Lease, including the provisions of this Lease which permit City to terminate this Lease (which would result in a termination of the sublease) if Tenant defaults in its performance of one or more of Tenant's obligations under this Lease (whether or not the subtenant is in default under the terms of the sublease).~~

**Commented [BT2]:** Verbiage added to define sublease / subleasing. There should be no references to "subletting" as this implies a new tenant taking over the lease rather than simply renting space from the existing tenant.

(2) ~~Tenant must include in any sublease a provision whereby the Subtenant agrees, for the benefit of the City, to indemnify the City in a manner consistent with the indemnification provisions set forth in this Lease and agrees to maintain, in the Subtenant's own name, liability insurance as described in this Lease.~~

(3) ~~Any Subtenant occupying a portion of the Premises may only use the Premises for the majority purpose of storing aircraft and related aviation items as set forth in Section 4 of this Agreement.~~

(4) ~~If Tenant has a Subtenant, Tenant must provide the City with the name, address and telephone number of each Subtenant, and the aircraft make, model and registration number of each aircraft stored at the Premises.~~

(5) ~~Tenant is responsible for all activities of Subtenant and for assuring that any sublease is made subject and subordinate to this Lease.~~

**Commented [BT3]:** Verbiage added from 2018 Hangar Land Lease Agreement to help provide distinction between selling and ~~subletting~~ subleasing.

17. **Right of Entry.** The City reserves the right to enter upon the Premises and any building on the Premises for the purpose of inspection to determine compliance with all terms of this Agreement. Reasonable efforts will be made to notify Tenant of such entry before entry is made.

**Deleted:** , at any time,

18. **Discrimination Provision.** The Tenant, in the use of the Mora Municipal Airport, shall not discriminate or permit discrimination against any person or group of persons on the grounds of race, color, or national origin or in any manner prohibited by Part 21 of the Regulations of the Office of the United States Secretary of Transportation, and the Tenant further agrees to comply with any requirement made to enforce such regulation which may be demanded of the City by the United States Government under authority of said Part 21.

19. **Civil Rights.** Tenant agrees that it will comply with applicable laws, statutes and rules that are promulgated to assure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or handicap be excluded from participating in any activity conducted with or benefiting from federal assistance. This provision obligates Tenant or its transferee for the period during which federal assistance is extended to the airport, except where federal assistance is to provide, or is in form of personal property or real property or interest therein or structures or improvements thereon. In these cases, the provision obligates the party or any transferee for the longer of the following periods: (1) the period during which the property is used by the sponsor or any transferee for a purpose for which federal assistance is

extended, or for another purpose involving the provision of similar services or benefits; or (2) the period during which the airport sponsor or any transferee retains ownership or possession of the property.

## **20. Laws, Rules and Regulations.**

- a. The Tenant shall abide by and conform with all laws, rules, and regulations, including future amendments thereto, controlling or in any manner affecting the Tenant relative to the use or occupancy of the Tenant. Tenant shall comply with all rules, minimum standards, and field regulations with respect to control of ground and air traffic and use of the airport as established by City from time to time and Tenant shall abide by all rules, regulations, and orders of the Minnesota Department of Transportation and the Federal Aviation Administration and other lawful authorities with respect to aircraft operations and use of the leased premises.
- b. Tenant agrees that any aircraft which is based from, stored at or using the Premises shall be in compliance with all applicable aircraft registration requirements, including, but not limited to, those set forth in Minnesota Statutes Chapter 360. The Tenant shall provide aircraft make, model and tail number for all aircrafts based from, stored at or used at the Premises annually to the City.

21. **Commercial Use.** Tenant must indicate to City at time of signing that the leased property will be used to conduct commercial activities and obtain written permission from the City to conduct such activities, which the City may grant or deny in its sole discretion. Any wish to alter the use of the property to include commercial activity during the term of this Lease requires prior written consent of the City. Failure to notify the City and obtain written consent as described above shall be grounds for immediate termination of this Lease. Commercial activities include repair, restoration, maintenance or rental of aircraft for any fare, fee, rate, charge or other consideration, or directly or indirectly in connection with any business, or other undertaking intended for profit. No commercial activity which is not directly related to aeronautics is permitted. No outdoor storage of planes or equipment is permitted in the hangar area. Any hangar constructed or used to conduct commercial activities shall comply with any and all applicable City building code requirements for commercial buildings.

22. **Verification.** Tenant shall meet verification of all licensure requirements of the City of Mora, State of Minnesota and / or the United States Government to legally comply with this Lease, prior to use of the Premises and upon reasonable request by the City.

23. **Subordination.** 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, execution of which has been or may be required as a written precedent to the expenditure of Federal or State funds for the development or maintenance of the Airport and to orders of the State or Local Government concerning Airport Operations or Government response to safety or military needs.

## **24. General Provisions.**

- a. **Airport Access.** Tenant has the privilege of using the public portions of the Airport, such as runways and other public facilities, under such terms, ordinances, rules and regulations as now exist or may be enacted by the City, and subject to charges for such use as may be established by the City, by ordinance or agreement with Tenant.

- b. **Waiver.** The waiver by the City or the Tenant of any breach of any term of this Lease shall not be deemed a waiver of any prior or subsequent breach of the same term or any other term of this Lease.
- c. **Headings.** The headings in this Lease are for convenience in reference and are not intended to define or limit the scope of any provision of this Lease.
- d. **Entire Lease; Amendments.** This Lease represents the entire agreement between the parties and supersedes any prior agreements regarding the Premises. This Lease may only be amended or modified if done in writing and executed by all parties to this Lease.
- e. **Severability.** If any part of this Lease shall be held invalid, it shall not affect the validity of the remaining parts of this Lease, provided that such invalidity does not materially prejudice either party under the remaining parts of this Lease.
- f. **Choice of Law and Venue.** This Lease shall be governed by and construed in accordance with the laws of the State of Minnesota. Any disputes, controversies, or claims arising out of this Lease shall be heard in the state or federal courts of Minnesota, and all parties to this Lease waive any objection to the jurisdiction of these courts, whether based on convenience or otherwise.
- g. **Public Data.** City shall use reasonable care to treat matters pertaining to Tenant in a confidential manner to the extent permitted by law. This Lease, and the information related to it, are subject to the Minnesota Government Data Practices Act, which presumes that data collected by City is public data unless classified otherwise by law.
- h. **Commitments to Federal and State Agencies.** Nothing in this Lease shall be construed to prevent City from making such commitments as it desires to the Federal Government or the State of Minnesota in order to qualify for the expenditure of Federal or State funds on the Airport.
- i. **Successors.** This Lease shall extend to bring the legal representatives, successors, and assigns of the parties to this Lease.
- j. **Relationship of Parties.** Nothing contained in this Lease shall be deemed to create a partnership, association, or joint venture between the City and the Tenant, or to create any other relationship between the parties other than that of landlord and tenant.
- k. **Multiple Parties.** If more than one person or entity is named as the Tenant, the obligations of the Tenant shall be the joint and several responsibilities of all persons or entities named as Tenant.
- l. **Consent and Approvals.** Whenever in this Lease the consent or approval of the City is required, such phrase means the formal approval or consent of the City through a meeting of the Mora City Council.
- m. **Notice.** Any notice required under this Lease shall be in writing and delivered in person or by courier or mailed by certified mail, return receipt requested by United States Mail, postage prepaid addressed as follows:

If to the City:           City of Mora

Attn: Airport Manager  
101 Lake Street South  
Mora, MN 55051

If to the Tenant: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Notice is deemed given (i) three (3) business days after being deposited in the mail, whether or not the notice is accepted by the named recipient, or (ii) if delivered by any other means, the date such notice is actually received by the named recipient. Either party may change the party's address for notice by providing written notice to the other party.

This Lease shall not take effect until it has been approved by the City Council of the City of Mora.

**IN WITNESS WHEREOF**, City and Tenant have executed this Lease as of the dates indicated below.

CITY: CITY OF MORA

TENANT: \_\_\_\_\_

By: \_\_\_\_\_  
Title: Mayor

By: \_\_\_\_\_  
Title: \_\_\_\_\_

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

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

By: \_\_\_\_\_  
Title: City Administrator

TENANT: \_\_\_\_\_

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

By: \_\_\_\_\_  
Title: \_\_\_\_\_

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





# MEMORANDUM

TO: Airport Board  
FROM: Beth Thorp, Community Development Director  
SUBJECT: Hangar Land Lease Agreement  
DATE: May 11, 2021

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## SUMMARY

The Airport Board will discuss statements provided by legal counsel and administration regarding the draft hangar land lease agreement.

## DISCUSSION

The Airport Board began reviewing the hangar land lease agreement in January with the intent of providing the City Council with suggested changes. The board completed its review in April and motioned to present the draft hangar land lease agreement to the City Council for consideration following review by legal counsel and administration.

The city's legal team and administration reviewed the draft hangar land lease agreement and provided the following statements:

1. The intent of the agreement approved last year by the City Council was to update an outdated lease agreement and to ensure the best interest of the city and airport – now and well into the future. The updates were taken from other existing municipal airport agreements and recommended language from staff and our legal professionals.
2. Staff does not recommend subletting, however ultimately this is a decision for the City Council.
  - a. The airport is an amenity to this community, land is strategically planned out with not many available buildings – generally speaking over time.
  - b. If there is an adequate supply of hangar space to rent, the rent is basically set at market rate, and management oversight isn't negatively affected, then subletting isn't much of an issue. But if the subletting gets into storage of boats and campers instead of flight related items, or if below market rates allows tenants to profiteer off of the city property, or if tenant supervision becomes a problem, then subletting isn't such a great idea.
  - c. The airport hangars and land is not a storage facility; it is not appropriate to lease space or sublease space for anything but aircrafts and flight related items.
3. Section 15.a.2 and 3 (insurance) must be added back in.
  - a. When people are fully insured, they usually only sue their insurance carrier. When they are not fully insured, they tend to sue everybody they can, which is why we generally want them to have full coverage. An umbrella insurance policy is a relatively cheap way for them to get that excess coverage for calamitous losses.
4. The legal team and administration stand by the agreement approved by the City Council in 2020 when it comes to subletting and insurance. Every change suggested by the Airport Board related to

these areas reduces protection or control of the city, as the property owner, and the airport manager. The legal team and administration cannot professionally recommend approval of something that could negatively impact the city now or into the future.

The Airport Board should review and discuss the above statements and determine if it wishes to move the draft hangar land lease agreement forward to the City Council for consideration, as motioned in April, or make additional changes based on the statements.

#### OPTIONS

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1. Present the hangar land lease agreement with suggested changes to the City Council for consideration, as motioned at the April 13, 2021 meeting.
2. Continue review of the hangar land lease agreement, potentially making additional suggested changes based on statements provided by legal counsel and administration.