



City of Mora
Kanabec County, Minnesota
Meeting Agenda
Airport Board

Mora City Hall
101 Lake Street S
Mora, MN 55051

Tuesday, January 12, 2021

5:00 PM

Mora City Hall

City of Mora Code of Ordinances, Chapter 32: The role of the Airport Board is to be a recommending advisory body to the City Council regarding all aspects of airport land use, airport operations, and airport capital improvements.

1. Call to Order
2. Roll Call
3. Adopt Agenda
4. Minutes
5. Hangar Land Lease Agreement
6. Reports
 - a. 2021 Taxilane and Windcone Project
7. Adjournment

Photo: Airport Board members will take individual photos immediately following the meeting.



City of Mora
Kanabec County, Minnesota
Background Information
Airport Board

Mora City Hall
101 Lake Street S
Mora, MN 55051

Tuesday, February 9, 2021

5:00 PM

Mora City Hall

City of Mora Code of Ordinances, Chapter 32: The role of the Airport Board is to be a recommending advisory body to the City Council regarding all aspects of airport land use, airport operations, and airport capital improvements.

1. Call to Order.
2. Roll Call. Jody Anderson, Karla Kastenbauer, Ryan Martens, Stefan Salmonson, and Nick Stafford.
3. Adopt Agenda. *(No item of business shall be considered unless it appears on the agenda for the meeting. Board members may add items to the agenda prior to adoption of the agenda.)*
4. Minutes. See attached minutes from the January 12, 2021 meeting.
5. Hangar Land Lease Agreement. The board will continue its review of the current hangar land lease agreement with the intent of developing recommended changes for the City Council's consideration. The current agreement and the working draft with suggested changes thus far shown are attached for reference.
6. Reports. *(In addition to the items listed below, each board and staff member will be given the opportunity to share information.)*
 - a. 2021 Taxilane and Windcone Project
7. Adjournment. The next regular meeting is scheduled for Tuesday, March 9, 2021 at 5:00 pm.

Photo: Airport Board members will take individual photos immediately following the meeting.

**City of Mora, MN
AIRPORT BOARD
Meeting Minutes**

January 12, 2021

Present: Jody Anderson, Karla Kastenbauer, Ryan Martens, Stefan Salmonson and
Nick Stafford
Absent: None
Staff Present: Joe Kohlgraf and Beth Thorp

1. Call to Order. Stafford called the meeting to order at 5:01 pm.
2. Oath of Office. Stafford pledged the oath of office for a three-year term expiring on December 31, 2023.
3. Roll Call.
 - Anderson – Present
 - Kastenbauer – Present
 - Martens – Present
 - Salmonson – Present
 - Stafford – Present
4. Adopt Agenda. Martens requested the addition of 'NDB approach' to the agenda; Stafford added the item to the agenda as item no. 8. Motion by Martens, second by Kastenbauer to adopt the January 12, 2021 meeting agenda as amended. All present voted aye, motion carried.
5. Minutes. Motion by Anderson, second by Salmonson to approve the December 8, 2020 meeting minutes as presented. All present voted aye, motion carried.
6. Election of Officers. Motion by Martens, second by Salmonson to elect Stafford as Chair, Kastenbauer as Vice Chair and Thorp as Secretary. All present voted aye, motion carried.
7. Hangar Land Lease Agreement. Thorp informed the board that the City Council authorized the Airport Board to review the hangar land lease agreement and provide a recommendation for suggested changes, adding that a letter was mailed to impacted hangar owners explaining that the agreement was being reviewed and they were not required to submit a signed agreement until the review was complete. Thorp explained that the board could take its time reviewing the agreement and that it could be discussed over the course of multiple meetings if necessary. Salmonson asked Anderson if the council had provided any specific direction for the Airport Board for its review; Anderson said that no direction was provided however the council was generally supportive of the Airport Board's request to review the agreement. Anderson added that, following the board's December 2020 meeting, she spoke with Tom Larson (audience member at the December meeting) and assured him that the city was reviewing the agreement and that his concerns were heard. Stafford suggested beginning the review with item no. 1 and working through the document in its entirety. Anderson reminded fellow board members that any recommended changes needed to be in the city's interest as well as the hangar owners. Stafford expressed his concern that the agreement, as approved by the council in August 2020, was negative toward hangar owners, and

agreed that the agreement should be written in a way that benefits the hangar owners as well as the city. Salmonson expressed concern that the Airport Board was not allowed to act as an advisory board and review the agreement before it was approved in August 2020. Stafford asked if the council wanted separate lease agreements for privately owned hangars and city owned hangars; Thorp stated that the council did not provide any specific direction and that she believed there were already separate agreements. Stafford explained that some airports did not have or allow private hangars, so, if the city had used an agreement from one of those airports, it would help explain why the 2020 agreement was written the way it was. Salmonson asked if the agreement under review was intended to be for privately owned hangars rather than city owned hangars; Thorp confirmed that the board was reviewing an agreement for privately owned hangars. Thorp requested that the board be very specific about proposed changes so that staff was not incorrectly interpreting or suggesting changes for the board.

- Section 1. Lease of Airport Property.
 - Salmonson asked what the length of the agreement was; Anderson pointed out that Section 5 showed the term as 20 years. Salmonson requested and the consensus of the board was that the title of the document include language identifying it as an agreement for privately owned hangars. Martens asked if the term of the agreement should be added to the first page; the consensus was that it didn't need to be added being that it was included within Section 5.
- Section 2. Use of the Airport.
 - No concerns or discussion.
- Section 3. Proof of Aircraft Ownership., and Section 4. Aircraft Registration.
 - Stafford stated that he did not believe other airports required that hangar owners must be an aircraft owner, explaining that some individuals could quit flying but still want to maintain ownership of the hangar and lease it to another aircraft owner. Salmonson commented that the new lease agreement did not allow subleasing. Stafford commented that this would be an issue with the T-hangars, explaining that T-hangars are generally owned by corporations and the corporations don't own the aircraft. Board members briefly discussed a desire to ensure that aviation related items were stored in the hangars, commenting that the state regulated the percentage of hangars that could be used for non-aviation related items. Salmonson discussed the intent of hangars as being for aviation related purposes, hangar owners should not be required to be owners of aircraft, and non-airworthy aircraft should be allowed to be stored in hangars being that sometimes they were in the process of being built or repaired. Salmonson asked Kohlgraf if there were fire concerns as they related to the need for hangar owners to insure their hangar; Stafford interjected explaining that insurance was covered later in the agreement, and that he supported the requirement for insurance in order to protect neighboring hangars as well as the city. Stafford added that he believed many hangar owners did not carry insurance on their hangars. Board members again discussed the intent of hangars being for the storage of aviation related items; discussed that the hangar owners should not be required to own the aircraft stored within the hangars; and, discussed that aircraft stored within privately owned hangars should not be required to be airworthy. Martens suggested that Sections 3 and 4 be stricken in their entirety and potentially replaced with a statement that the hangars must be used for a specified percentage of aviation related items. Stafford commented that the previous agreement specifically allowed certain non-aviation

related items such as boats, automobiles, RVs, and the like, in addition to aviation related items. Board members discussed whether or not to list specific items that could be stored in hangars or more generally require that the intent of hangars was for the storage of aviation related items. Stafford, like Martens, suggested that Sections 3 and 4 be stricken entirely. Salmonson asked Thorp for clarification on the process for making recommendations; Thorp stated that the board did not need to motion each recommended change, however the board did need to be specific about proposed changes and recommended new language. Stafford questioned whether the board should be providing recommended language or if that should be the job of the legal department; Thorp reminded the board that the city attorney had already reviewed and offered support for the current agreement and that any recommended changes needed to be presented from the Airport Board as it had requested. Board members discussed wording to describe aviation related vs. non-aviation related items allowed to be stored in hangars, debating between providing a certain percentage or providing a general statement that the intent or spirit of hangars was for aviation related items. The consensus of the board was to strike Section 3. Proof of Aircraft Ownership and Section 4. Aircraft Registration entirely and replace them with Section 3. Hangar Ownership and Section 4. Use of the Hangar, describing that Section 3. Hangar Ownership would not require that the hangar owner own the aircraft contained within and Section 4. Use of Hangar would state that the intended use of the hangar was for a “majority” of aviation related use and aircraft did not need to be registered or considered airworthy. Thorp suggested that staff draft language based on direction provided by the board for review at the February meeting prior to the board moving forward with its review of the agreement; board members agreed and acknowledged that the board’s review process may take a few months or more.

- Section 5. Term of this Lease.
 - No concerns or discussion.
- Section 6. Lease Payments.
 - No concerns or discussion.
- Section 7. Construction of Private Buildings on Premises.
 - Stafford questioned why Section 7 was included at all given that any construction activity would need to be approved prior to the lease agreement, and pointed out that the last sentence of Section 7.a. again restricted the purpose of hangars for the sole purpose of storing aircraft registered or leased to the tenant and related aviation purposes. Martens suggested striking the last sentence of Section 7.a.; Anderson instead suggested replacing the word “sole” with “majority”. Martens and Salmonson concurred with Anderson’s suggestion. Stafford, reading “...storage of aircraft registered or leased to the Tenant...”, commented that this section contradicted other sections of the agreement in that it allowed for subleasing of hangars; Thorp responded by explaining that she believed the word “lease” referred to the aircraft and not the hangar. Board members discussed and agreed that aircraft were not generally leased. Martens suggested and the consensus of the board was to reword the last sentence of Section 7.a. to read “Any building constructed shall be used for the majority purpose of storage of aircraft and related aviation purposes.”
 - Stafford stated that Section 7.b. was another area of concern, commenting that the process of having the city approve any use of the building other than aircraft storage

seemed cumbersome and inefficient. Salmonson suggested that Section 7.b. be stricken entirely; Anderson cautioned that striking that section would allow the storage of anything within hangars. The consensus of the board was that Section 7.a. addressed items stored within the hangars and Section 7.b. should be stricken entirely.

- Salmonson asked if the city had ever had problems with construction of hangars taking longer than 12 months as discussed in Section 7.c.; Kohlgraf responded that there hadn't been any past issues and commented that the Building Code may provide a process for dealing with this. The board did not recommend any change to this section.
- Stafford stated that he was concerned with Section 7.f. which required galvanized steel roofs, adding that most hangars currently have white steel roofs. Stafford asked if all hangar owners must comply with this new requirement or only those constructing new hangars; board members discussed roofing materials used for existing hangars. Stafford commented that there should be a standard moving forward for materials used but did not believe that owners of existing hangars should be required to change materials. Salmonson spoke about a past requirement that all roofs be a light color so that Mora Municipal Airport could be painted on the roofs and be visible from overhead. Board members and Kohlgraf recalled that most existing roofs were white, and Martens suggested that the requirement in Section 7.f. be changed from "galvanized" to "white" steel. Anderson questioned wording in the agreement that stated design standards may include color, which she believed differed from language that followed stating that exterior improvements were required to be off-white with brown trim; board members discussed this at length. Kohlgraf suggested striking the last sentence of Section 7.f. to eliminate the confusion, stating that the city-approved plans and design standards, also mentioned in this section, should already address colors used during construction. Salmonson stated that he would like to see any construction requirements, including color requirements, provided in as many documents as possible so that hangar owners were aware and did not inadvertently order the wrong materials. Stafford stated that he supported the use of design standards to ensure a consistent look at the airport. The consensus of the board was to modify Section 7.f. to require white walls, white roof, and brown trim. Martens suggested that board members visit the airport to view existing material colors and continue the discussion at the February meeting, and also suggested due to limited time that the board move on to the next agenda item. Thorp stated that she will prepare draft amendments to the agreement for review at the February meeting.

8. NDB Approach. Martens asked Kohlgraf if he had learned any more information about the state's plans to decommission all non-directional beacons (NDB) due to their aged technology. Martens shared with fellow board members that Mora's NDB was not currently functioning and was not slated to be fixed, according to air traffic control. Board members discussed NDBs, alternative technology, and reasons why the state would no longer want to fund NDBs. Martens suggested submitting a request to the FAA seeking support for a VOR A approach off of St. Cloud, MN or Siren, WI in order to bring pilots down to 1,000 feet, which would be below the clouds. Kohlgraf provided board members with correspondence from the state regarding NDB approaches, explaining that the state was no longer supporting these approaches. Martens again suggested pursuing a VOR A

approach and suggested speaking to SEH about it; Kohlgraf stated that he'll investigate the possibility of a VOR A approach and report back in February.

9. Reports.

- Thorp informed the board that city staff would be mailing annual invoices to hangar owners, explaining that the amounts due were independent from the hangar land lease agreement that was under review.

10. Adjournment. Motion by Kastenbauer, second by Martens to adjourn the meeting. All present voted aye and the meeting adjourned at 5:58 pm.

Nick Stafford, Chair

Beth Thorp, Secretary

DRAFT

**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 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. 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
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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: _____

**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 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.

Deleted: an off-white color

- 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, 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 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

TENANT: _____

By: _____
Title: Mayor

By: _____
Title: _____

Date: _____

Date: _____

By: _____
Title: City Administrator

TENANT: _____

Date: _____

By: _____
Title: _____

Date: _____