



City of Mora
Kanabec County, Minnesota
Meeting Agenda
Airport Board

Mora City Hall
101 Lake Street S
Mora, MN 55051

Tuesday, March 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
3. Adopt Agenda
4. Minutes
5. Airport Engineering Consultant Report
6. Hangar Land Lease Agreement
7. 2021 Fly-In
8. Reports
9. Adjournment



City of Mora
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Background Information
Airport Board

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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 February 9, 2021 meeting.
5. Airport Engineering Consultant Report. Lindsay Reidt of SEH will be present to provide updates on the 2021 airport projects, including the taxiway rehabilitation and the supplemental windcone.
6. 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 working draft with suggested changes thus far is attached for reference.
7. 2021 Fly-In. The board will begin discussing preparations for the fly-in tentatively scheduled for Saturday, September 18, 2021, 8:00 am – 12:00 pm.
8. Reports. *(In addition to the items listed below, each board and staff member will be given the opportunity to share information.)*
9. Adjournment. The next regular meeting is scheduled for Tuesday, April 13, 2021 at 5:00 pm.

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

February 9, 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 5:00 pm.
2. Roll Call.
 - Anderson – Present
 - Kastenbauer – Present
 - Martens – Present
 - Salmonson – Present
 - Stafford – Present
3. Adopt Agenda. Motion by Martens, second by Kastenbauer to adopt the February 9, 2021 meeting agenda as presented. All present voted aye, motion carried.
4. Minutes. Motion by Kastenbauer, second by Anderson to approve the January 12, 2021 meeting minutes as presented. All present voted aye, motion carried.
5. Hangar Land Lease Agreement. The board continued its review, which began at the January 12, 2021 meeting, of the Hangar Land Lease Agreement approved by the City Council in August 2020.
 - Section 7. Construction of Private Buildings on Premises.
 - No concerns or discussion on items g., h., or j.
 - Section 8. Maintenance of Leased Property.
 - Stafford commented that there was a concern with Section 8.b. Martens questioned who determined what was “properly maintained”; Kohlgraf responded that the Building Code would apply in this section. Anderson added that the city did not want to see any garbage or waste accumulate on airport property. Salmonson suggested that tall grass may be a concern; Kohlgraf stated that the city attempted to maintain greater amounts of grassy areas each year. Salmonson asked if the City Code addressed unlicensed vehicles; Thorp confirmed that it did. There were no suggested changes to this section.
 - In reviewing Section 8.c., Stafford asked Kohlgraf if the city intended to stop removing snow from in front of the hangars; Kohlgraf responded that the city’s recently adopted snow removal policy covers all snow removal issues. There were no suggested changes to this section.
 - Section 9. Hazardous Materials.
 - No concerns or discussion.
 - Section 10. Taxes, Assessments and Other Charges.
 - No concerns or discussion.

- Section 11. Default.
 - Salmonson asked if there was a history of default; staff was not aware of any past problems. Stafford shared that Dustin Paulson had expressed a concern with Section 11.a.(3) in regard to inspections being required with only a 10-day notice, adding that it could be difficult for hangar owners who travel south in winter months to accommodate this requirement. Stafford continued that hangar owners would likely not be comfortable allowing city staff to enter their hangars without them present. Thorp suggested that the Agreement was not requiring the inspection to occur within 10 days of notice, but rather the reference to “10 days” applied to the continuation of a default witnessed during the inspection. Salmonson expressed concern with the need for an inspection, asking what might trigger an inspection and stating that there must be probable cause; Anderson suggested that an inspection may be required if there was a large amount of debris outside the hangar or for confirmation that the majority of the hangar was being used for aviation related items. Kohlgraf commented that he may need entry to verify tail numbers. Salmonson again cautioned that probable cause is necessary to gain entry. Martens suggested moving on with the review and returning to Section 11 after other related sections had been reviewed.
- Section 12. Termination Provisions.
 - In reference to Section 12.b., Stafford asked what amount of time constitutes “deserted, abandoned or vacated”. Salmonson asked if there were any other city contracts or language that might provide a time frame to use as a basis for this agreement; board members generally agreed that hangars should not be considered deserted, abandoned or vacated if the hangar owner continued to make lease payments and pay taxes. Salmonson suggested that the City Attorney provide the legal definition of abandonment as it related to property and land, and include that in the agreement. Board members and staff again discussed the amount of time needed to declare a hangar deserted, abandoned or vacated, with Martens wondering if traveling south during winter months constituted desertion, abandonment, or vacation. Anderson suggested that the city would attempt to contact hangar owners prior to declaring a hangar deserted, abandoned or vacated, and this would likely clarify the hangar owner’s intent. The consensus of the board was for staff to define the amount of time which constituted “deserted, abandoned or vacated” and include that in the agreement. Martens suggested that this language may be intended for city owned hangars rather than privately owned hangars; Kastenbauer and Salmonson both responded that it applied to privately owned hangars being that they were located on city property. Stafford commented that his concern was ensuring that hangar owners made their annual lease payment and perhaps the agreement should include language discussing what happens if lease payments were not made within a certain time frame such as six months; Martens commented that this was addressed in Section 11.a. Events of Default. Anderson added that the agreement specified that lease payments were due annually by January 31st.
 - Martens inquired about language included in Section 12.a. allowing hangar owners to remove all buildings and property from the premises upon termination of the lease; Salmonson responded that it had been done in the past but it most likely was not cost effective for the hangar owner.
- Section 13. Surrender of Premises.

- No concerns or discussion.
- Section 14. Liability and Indemnification.
 - Stafford questioned holding the city harmless as discussed in Section 14.a. and sought clarification; Salmonson responded that the city should not be let off the hook for damage to private property and suggested that the language included in this section was not enforceable. Board members discussed different scenarios of damage to private property. Anderson commented that this section also included language that seemed to contradict the beginning of the section; the consensus of the board was that the “first part” and “second part” (beginning with “Nothing in this lease...”) of the section contradicted each other and discussed options for resolving the contradiction. The consensus of the board was that this section needed to be further reviewed and amended, but no specific recommendations were provided.
- Section 15. Insurance.
 - The board discussed Section 15.a.(2) which required that hangar owners insure all personal property located on the leased premises, questioning the city’s interest in this requirement and the requirement that items be insured at 100% of their fair market value. Anderson suggested that the city may just want to make sure that all hangar contents are insured; Salmonson and Kastenbauer responded, if that was the case, that hangar owners could simply provide proof of insurance to the city. Stafford stated his hangar insurance covers up to a certain value of personal belongings, adding that all building policies generally cover personal belongings contained inside the building. Board members and Kohlgraf discussed the differences between Sections 15.a.(2) and 15.a.(3), with the consensus that a.(2) applied to all privately owned hangars and a.(3) applied specifically to hangars used for commercial purposes. Kohlgraf suggested and the consensus of the board was to delete “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.”, and to add “Tenant shall provide City with insurance carrier and policy number.” Stafford, expressing concerns, asked if the city would require proof of insurance on each item kept within the hangar; Kohlgraf suggested that the city would only need proof that personal property was insured (one policy). Stafford explained that he believed all hangars should have liability insurance and that the city should be listed on those policies, further explaining that the city shouldn’t be responsible for dealing with damaged hangars. Anderson commented that the issue of insurance related to Section 14. Liability and Indemnification and questioned what would happen if, for instance, an individual slipped and fell inside a privately owned hangar; fellow board members suggested that the injured party would first take action with the hangar owner, and Salmonson suggested that the city be co-insured to provide protection in that type of scenario.
 - Board members, understanding that commercial uses were not allowed within privately owned hangars and believing that all of Section 15.a.(3) pertained to commercial uses, suggested that the section be removed if not applicable. Board members also discussed the fact that the insurance limits included in this section (\$1,500,000) were not standard limits and should be adjusted to \$1,000,000 if this

section was kept in the agreement. Kohlgraf stated that he would review this section further.

- Section 16. Transferring, Subletting, Selling.
 - Martens suggested that Section 16 made sense for city owned hangars but should be deleted entirely from the agreement pertaining to privately owned hangars. Salmonson questioned how the city would have any say in approving the transfer of a privately owned hangar; Stafford commented that the city should be involved in transfers and sales because they involved assumption of leases with the city. Board members discussed the meaning of “subletting” and whether it applied to the entire hangar or even just a portion thereof; Kohlgraf speculated that “subletting” in this instance referred to the entire hangar. Board members expressed concern with the city controlling subletting, suggesting that up to eight current aircraft owners would be impacted. Board members discussed at length why the city would need to be involved in approving the transfer of a lease agreement upon the transfer or sale of a privately owned hangar, with Salmonson suggesting that it could be an administrative task; Thorp stated that the lease agreement was between the city and a tenant and staff did not have authority to amend a contract on behalf of the City Council. Board members continued to debate the intended meaning of “subletting” and Kastenbauer questioned how much control the city wished to have over the use of privately owned hangars as opposed to city owned hangars. Thorp suggested and the consensus of the board was to remove all references to “subletting” from this section, including the statement that “The Tenant is strictly prohibited from subletting the Premise.”
- Section 17. Right of Entry.
 - Board members questioned why the city would need to enter a privately owned hangar. Kohlgraf suggested deleting “at any time” from the first sentence, commenting that he would never need immediate access and if there was probable cause he would contact law enforcement. Board members discussed options for rewording this section. Salmonson commented that one of the main concerns about the entire agreement was the “heavy handed” language and deleting “at any time” may help alleviate that. The consensus of the board was to delete “at any time” from the first sentence.
- Section 18. Discrimination Provision.
 - No concerns or discussion.
- Section 19. Civil Rights.
 - No concerns or discussion.
- Section 20. Laws, Rules and Regulations.
 - No concerns or discussion.
- Section 21. Commercial Use.
 - Anderson commented that there was too much gray area in this section. Salmonson suggested that because the section pertained to commercial uses it may not be applicable to this agreement. Stafford stated that Dustin Paulson had expressed concerns with the meaning of commercial uses and questioned if certain activities would be prohibited, such as an aircraft owner making repairs to his / her own aircraft or hiring a mechanic to perform work within the privately owned hangar. The consensus of the board was that these scenarios did not constitute commercial activity. Anderson questioned if a hangar owner taking in another individual’s

aircraft to repair or restore it would constitute commercial activity; Stafford responded that it could be considered commercial if it was being done as a job. Salmonson suggested that intent was the deciding factor – was the activity being performed for profit or as a friendly activity between aircraft owners. The consensus of the board was that “commercial use” needed to be defined in order to understand the intent.

- Section 22. Verification.
 - Stafford questioned which licensure requirements were being referred to in this section. Board members suspected that this language again pertained to commercial uses. Kohlgraf stated that his primary concern was verification of tail numbers.
- Section 23. Subordination.
 - No concerns or discussion.
- Section 24. General Provisions.
 - The board discussed Section 24.f. questioning why the city would require that the choice of law and venue be state or federal courts of Minnesota rather than local courts. Salmonson suggested that the venue may be determined by the dispute, controversy or claim, regardless of the wording used in the agreement. There was no suggested change to this section.

Salmonson asked Kohlgraf about the possibility of installing lighting adjacent to hangars for security purposes. Kohlgraf responded that it would either need to be included in the CIP or hangar owners could install their own lighting. Kohlgraf and board members discussed placement of poles.

- Section 11. Default.
 - The board returned to Section 11.a.(4) with a consensus to delete “subleases” from the first sentence.

6. Reports.

- a. 2021 Taxilane and Windcone Project. Kohlgraf shared that this project would be presented to the City Council on February 16th for consideration. Kohlgraf explained that the project involved the widening of the taxilane and the installation of a supplemental windcone near the crosswind runway.
- b. Staff Report. Kohlgraf reported the following:
 - Crack Filling. Kohlgraf shared that the most recent crack filling project was completed in 2020 but the contractor would return in spring 2021 to repair the crack filler that came out as a result of snowplowing.
 - Snow Removal. Kohlgraf shared that snow removal was occurring as needed.
 - Card Reader Project. Kohlgraf shared that the city was working on a card reader project and was waiting for software for the fuel system to arrive.
 - Fuel Line Repair. Kohlgraf shared that he was anticipating a fuel line repair project in the future but was hoping to align the project with the completion of the fuel remediation project so that all necessary paving could be completed at one time.
- c. Courtesy Car. Salmonson inquired if the courtesy car would be returning to the airport soon. Kohlgraf stated that the city is still following CDC recommendations and therefore the car was parked at the city garage. Kohlgraf added that he’s been receiving more and more requests for the car and was hoping to return it to the airport as soon as possible. Board members discussed cleaning between uses and the possibility of developing a policy requiring users to be responsible for cleaning. Martens and Stafford shared that other municipal airports were

allowing the use of courtesy cars with signs posted that the vehicles were not being routinely cleaned (“use at your own risk”).

7. Adjournment. Motion by Kastenbauer, second by Martens to adjourn the meeting. All present voted aye and the meeting adjourned at 6:10 pm.

Nick Stafford, Chair

Beth Thorp, Secretary

DRAFT

**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 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.

Deleted: , subleases

- (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. 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.

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 further reviewed and amended, but no specific recommendations were provided.

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) 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

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

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 and Selling.** The Tenant shall not assign, transfer, 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. Failure to obtain written consent shall be sufficient grounds for terminating this Lease without obligation of the City to the Tenant.

Commented [BT2]: If the board wishes to allow subleasing / subletting, the board may also wish to consider adding language back into the agreement discussing subleasing / subletting.

Deleted: , Subletting,

Deleted: sublet,

Deleted: The Tenant is strictly prohibited from subletting the Premise.

Deleted: or sublet

Deleted: , at any time,

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.

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: _____

Excerpt from the 2018 Hangar Land Lease Agreement:

13.d. Sublease

If Tenant has excess space in the Premises, Tenant may sublease a portion of the Premises for part or all of the remainder of the Term. Any 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). Tenant must include in any sublease, a provision whereby the subtenant agrees, for the benefit of City, to indemnify City in a manner consistent with the indemnification provisions set forth in Section 12 of this Lease and agrees to maintain, in the subtenant's own name, liability insurance as described in Section 12 of this Lease.

Any subtenant occupying the Premises may only use the Premises for storage of aircraft and for maintenance performed by subtenant on subtenant's own aircraft. If Tenant has a subtenant, Tenant shall be required to provide City with the following information on January 1 and July 1 of each year:

- (1) The name, address and telephone number of each subtenant; and
- (2) The aircraft make, model, and registration number of each aircraft stored at the Premises.

Tenant is responsible for all activities of any subtenant and for assuring that any sublease is made subject and subordinate to this Lease.