

T-HANGAR LEASE AGREEMENT

THIS T-HANGAR LEASE AGREEMENT is made this _____, 2020, by and between the City of Lawrence, Kansas, a municipal corporation, and XXXX.

RECITALS

- A. The City of Lawrence, Kansas, a municipal corporation ("City"), owns that structure, known as Hangar X ("Hangar") and located at the Lawrence Municipal Airport, 1930 Airport Road, Lawrence, Kansas ("Airport").
- B. XXXX ("Tenant"), wishes to lease from the City T-Hangar No. X-X ("Leased Space"), located in the Hangar.
- C. The City agrees to lease to Tenant the Leased Space, subject to the terms and conditions of this T-Hangar Lease Agreement ("Lease").

TERMS

NOW, THEREFORE, in consideration of these premises, and the mutual covenants and premises contained herein, the parties hereto agree as follows:

- 1. **Lease of Space.** The City hereby agrees that, in exchange for the payment of Rent, it will lease to Tenant the Leased Space for the purpose of storing aircraft and related equipment and items. Tenant have had the opportunity to inspect the Leased Space and accepts the Leased Space in its present condition, as is.
- 2. **Rent.**
 - (a) During the Initial Term of this Lease, Tenant agree to pay to the City, on a quarterly basis, as Rent, the sum of \$XXX.XX per quarter. Rent during any Option Term, as defined in Section 4 *infra*, shall be equal to the Rent of the previous Term plus 3.0%.
 - (b) Rent shall be payable to the City in quarterly installments, due and payable in advance, without notice or demand, on the first day of each quarter (January 1, April 1, July 1, and October 1) during the Initial Term or any Option Term of this Lease. Rent payments shall be made by check made payable to the order of the City. Payments received after the 15th day of the quarter shall be subject to a 10.0% delinquency fee.

- (c) To the extent that the City bills or invoices Tenant for Rent, it does so for its own convenience. Tenant hereby acknowledges that receipt of a bill or invoice for Rent from the City is not contractual and that Rent is due quarterly whether or not Tenant receives a bill or invoice from the City.
3. **Security Deposit.** Upon the signing of this Lease, Tenant has deposited with the City the sum of \$500.00 as security for the Tenant's performance of the terms and conditions of this Lease. The City shall return said sum to Tenant after Tenant has fully and faithfully carried out and fulfilled all terms of the Lease. The City may apply such portions of the security deposit as are necessary to restore the premises to the original condition after Tenant has surrendered the Leased Space. The City may apply such portions of the security deposit as it deems necessary to cover any losses the City has occasioned by any breach of this Lease by Tenant. The City shall not be obligated to pay to Tenant any interest on the security deposit.
4. **Term.** The Initial Term of this Lease shall commence at 12:00 a.m. on April 1, 2020, ("Commencement Date") and will expire at 11:59 p.m. on March 31, 2021 ("Initial Term"), unless earlier terminated or unless extended as provided herein.
5. **Option Terms.** The City and Tenant shall have the mutual option to extend the Initial Term of this Lease for four (4) additional and successive one-year terms (individually, "the Option Term" and, collectively, "the Option Terms"). The Lease shall, at the end of the Initial Term or any Option Term, unless it is the fourth Option Term, automatically be extended an additional Option Term, commencing at 12:00 a.m. on April 1 and expiring at 11:59 p.m. on March 31 of the succeeding year, unless either party notifies the other party of its intent to terminate or to renegotiate this Lease at least thirty (30) days prior to the termination of the then-current Term. Option Terms shall be deemed a continuation of this Lease and shall not be considered a new Lease or an amendment hereto. Option Terms shall be subject to the Rent increase set forth in Section 2(a), *supra*.
6. **Use of Leased Space.** Tenant shall use the Leased Space **ONLY** for the purpose of storage of aircraft and related equipment and items. No maintenance of the stored aircraft shall be conducted in the Leased Space, except such minor maintenance as would normally be performed by the owner without the benefit of an aircraft mechanic. No commercial aviation activities will be conducted on the Airport premises without the prior written consent of the City. The Tenant shall keep the Leased Space free from debris and other items that might impede the use of the Hangar.

7. **Tenant's Covenants.** The Tenant also agree to the following terms and conditions in the use of the Leased Space:
- (a) To operate the Leased Space and all equipment stored therein in a safe and environmentally responsible manner.
 - (b) To store all trash and refuse in appropriate containers within the Leased Space and to attend to the disposal thereof in a manner and place designated by the City.
 - (c) To maintain the Leased Space in a clean, safe, and sanitary condition and free of insects, rodents, vermin, birds, and other pests to the best of Tenant' ability, in consideration of the present condition of the Hangar.
 - (d) To refrain from performing any act or carrying out any practice that may damage or injure the Leased Space or any part of the Airport, or cause any offensive odors, radio interference emissions, or loud noise that would constitute a nuisance.
 - (e) To conform to and comply with any and all laws, rules, and regulations which have been heretofore, or which may hereinafter be adopted by any governmental authority having jurisdiction, including the City, except that the City shall not impose upon Tenant any rule or regulation inconsistent with the terms of this Lease or with any federal, state, or local laws.
 - (f) The parties acknowledge and agree that if Tenant fails or neglects to perform or observe any of Tenant's obligations, duties, or responsibilities, as set forth above, such failure and/or neglect shall be considered a default in accordance with Section 17, *infra*.
8. **Taxes.** The City agrees to pay all real property taxes and any special assessments levied against and attributable to the Leased Space for the Initial Term and any Option Term of this Lease. Tenant shall pay any and all personal property taxes attributable to any personal property owned by Tenant at the Leased Space or for any business operated by Tenant using the Leased Space or the Airport.
9. **Utilities.** The City agrees to pay all utilities presently serving the Leased Space. Tenant shall not install additional utilities without the prior written consent of the City. Any approved utility installation shall comply with all applicable federal, state, and local laws.

- 10. Alterations.** Tenant shall not make any material or substantial alterations or additions to the Leased Space without the prior written consent of the City. All installations, additions, or improvements made to the Leased Space shall become the property of City and shall remain upon and be surrendered with the Leased Space, as a part thereof, at the termination or expiration of the Lease. Upon any surrender of the Leased Space, Tenant shall redeliver the Leased Space to the City in as good condition and in a state of repair as it exists as of the date of this Lease, ordinary wear and tear excepted.
- 11. Repairs and Maintenance.** The City shall be solely responsible for all repairs and maintenance of the Hangar, its foundation, its exterior walls, and its roof. Tenant shall be responsible for any repairs and maintenance to the Airport, Hangar, or Leased Space made necessary due to the negligence of Tenant, his agents, employees, customers, or patrons, or as may otherwise be required by the attached T-Hangar Regulations.
- 12. Liens and Encumbrances.** Tenant agrees to keep the Leased Space free from liens and encumbrances of whatever kind or nature arising from, or predicated upon, materials furnished or work or labor performed upon the Leased Space at Tenant's request or by Tenant's authority.
- 13. Hazardous Substances.** Tenant shall strictly follow any and all federal, state, and local laws, statute, rules, and regulations pertaining to environmental issues. Tenant shall keep, protect, and save harmless the City from any loss, cost, claim, or judgment of any sort or nature arising out of any event or occurrence resulting in any environmental hazard that might cause liability to accrue to the City.
- 14. Insurance.**

 - (a)** The City agrees to keep the Hangar insured against loss or damage from fire or other casualties. The City shall not insure any personal or other property owned by Tenant, and Tenant shall not be a loss payee on any insurance policy maintained by City.
 - (b)** Tenant agrees to procure and maintain, at its sole costs and expense, from responsible companies authorized to do business in the State of Kansas, the following insurance: **(i)** Premises Liability, with a combined single limit of not less than \$1,000,000.00 for each occurrence, or the equivalent.
 - (c)** Tenant shall deliver to the City Clerk, prior to the commencement of this Lease, a certificate or certificates of insurance establishing that the above insurance is in force, that the City has been named as an additional insured, and that said insurance will not be cancelled or materially changed without first giving the City thirty-days' prior written notice. Tenant shall make

available to the City, on request, the policies declarations pages and a certified copy of the policy or policies in effect so that limitations and exclusions can be evaluated for appropriateness of overall coverage.

- 15. Indemnification.** During the Initial Term or an Option Term of this Lease, Tenant agrees to indemnify, defend, save, and hold harmless the City, its officers, commissioners, agents, employees, grantees, and assigns, from and against all claims, actions, liabilities, damages, costs, expenses, and judgments, including attorneys' fees, which relate to, arise out of, or are in any way related to Tenant's use of the Leased Space, the Hangar, the Airport, or any portions thereof, on account of any injury to persons or damage to property. This indemnification clause shall not apply to any injury or damage caused by the City's own negligent, reckless, or intentional actions, or that of its agents.
- 16. Damage to Leased Space by Fire or Other Casualty.** Tenant shall use every precaution against fire and shall, in case of fire or other casualty for which Tenant is not under any obligation to repair, immediately notify the City, who shall -- unless the Leased Space is so damaged that the City decides not to repair or rebuild -- thereupon cause the damage to be promptly repaired. If the Leased Space is destroyed or damaged and the City decides not to repair or rebuild, either temporarily or permanently, then this Lease shall cease as of the date upon which the casualty occurred, with no further obligation of either party hereunder. If the City decides to repair or rebuild, then the Rent during the repairing or rebuilding period shall abate to the extent that, and in the proportion to the time, the Leased Space is unusable by the Tenant.
- 17. Inspection.** The City shall have the right, after giving notice to Tenant, to inspect the Leased Space for maintenance purposes.
- 18. Default.** If either Tenant or the City fails to perform or observe any material term, covenant, provision, or condition of this Lease, then that party will be in default under this Lease. In the case of default, the other party shall send to the party in default a written Notice of Default, setting forth, with particularity, the nature of the complained of default.
- 19. Right to Cure.** From the date of written Notice of Default from the City to Tenant for the failure to pay rent, the Tenant shall have five days to cure the default. In all other cases, from the date of the written Notice of Default, the party in default shall have thirty days to cure any default.
- 20. Failure to Cure.** If the party in default fails to cure the default in the time prescribed above, then the other party shall have the right, by giving written notice, to terminate this Lease and may, at its discretion, pursue any other remedies described in this Lease or that may be available to it at law or in equity

and which are not otherwise proscribed by the terms of this Lease. If the City terminates this Lease for Tenant's failure to cure, then the City shall retain any Rent that Tenant has paid that quarter. If Tenant terminates this Lease for the City's failure to cure a default, then Tenant shall be entitled to a refund from the City, on a pro-rated basis for that quarter, of any Rent paid for that quarter commencing from and after the date of default.

21. **Surrender of Leased Space.** Upon expiration or termination of this Lease, for whatever reason, Tenant shall and hereby covenants and agrees to peacefully surrender and deliver up possession of the Leased Space to the City, broom-clean and in as good condition and in a state of repair as it exists as of the date of this Lease, ordinary wear and tear excepted.
22. **Quiet Possession.** The City covenants that Tenant, in exchange for the payment of Rent and performing his obligations hereunder, shall and may peaceably and quietly have, hold, and enjoy the Leased Space during the term of this Lease, free from any disturbance by the City, its agents or employees, or others acting within the control of City, except that the Leased Space shall be made available for annual inspection by the City for maintenance purposes.
23. **Relationship of the Parties.** Nothing set forth herein shall be deemed or construed by the parties, nor by any third party, as creating the relationship of principal and agent, partnership, or joint venture between the parties hereto; it being understood and agreed that neither any provision contained herein, nor any acts of the parties hereto shall be deemed to create any relationship between the parties other than that of Lessor (City) and Lessee (Tenant).
24. **Mutual Waiver of Subrogation.** Tenant hereby waives any and all rights of subrogation against the City, its agents, servants, and employees, for any damage caused to the property of Tenant, located in and upon the Leased Space, by reason of Tenant's negligence, and Tenant shall cause said waiver of subrogation rights to be endorsed upon the policy or policies of standard form fire and extended coverage insurance written to insure Tenant's personal property, unless said policy(ies) do not require such endorsement. The City hereby waives any and all rights of subrogation against Tenant, its officials, officers, agents, servants, and employees, if any, for any damage caused to the property of the City, including the Leased Space, the Hangar, and the Airport, by reason of the City's negligence, and the City shall cause said waiver of subrogation rights to be endorsed upon the policy or policies of standard form fire and extended coverage insurance written to insure the City's property, unless said policy(ies) do not require such endorsement.

- 25. Limitation of Liability.** Neither party shall be liable to the other for lost profits or special, incidental, collateral, punitive, exemplary, or consequential damages, including but not limited to frustration of economic or business expectations, loss of profits, loss of capital, cost of substitute product(s), facilities, or services, or down-time costs, even if advised of the possibility of such damages. Further, the liability of one party to the other for damages under this Lease, excluding liabilities relating to a party's indemnification obligations as set forth in Section 14, *supra*, or any other damages permitted under this Lease, is limited to the amount payable by Tenant to the City under this Lease to which the dispute relates.
- 26. Nonexclusive Right.** It is understood and agreed that nothing contained herein shall be construed to grant or authorize the granting to Tenant of an exclusive right for any aeronautical activity or other activity or purpose at the Airport.
- 27. Dispute Resolution.** All complaints concerning the operation of the Airport or any dispute arising therefrom shall be submitted in writing by Tenant to the City Airport Manager, his or her successor, or his or her designee. The Airport Advisory Board and the Airport Manager, his or her successor, or his or her designee, shall thereafter advise the City Manager in addressing the complaint or dispute.
- 28. Anti-Discrimination.** Tenant warrants and agrees to the following: **(a)** no person on the grounds of race, sex, religion, color, national origin, age, ancestry, familial status, sexual orientation, disability, or gender identity shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of the Leased Space; **(b)** in construction of any improvements on, over, or under the Leased Space, and the furnishing of service thereon, no person on the grounds of race, sex, religion, color, national origin, age, ancestry, familial status, sexual orientation, disability, or gender identity shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination; and **(c)** Tenant shall use the Leased Space in compliance with all other requirements imposed by or pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, as amended.
- 29. Obstructions.** The City reserves the right to take any action it may deem necessary to protect aerial approaches of the Airport against obstructions, together with the right to prevent Tenant from erecting, or permitting to be erected, any building or any other structure on the Leased Space or Airport which, in the opinion of City, will limit the usefulness of the Airport or constitute a hazard to the safe operation of the Airport. Tenant, and any successor or assign, will, after having first obtained written approval of the City, complete a Federal Aviation Administration (FAA) Form 7460-1, Notice of Proposed Construction or Alteration, and receive a favorable determination from the FAA prior to any construction at the Airport which it may desire to undertake.

30. T-Hangar and Refueling Regulations. Affixed hereto as Exhibits A and B, respectively, and incorporated herein by reference, are T-Hangar and Refueling Regulations. Such regulations are made a part of the terms and conditions of this Lease. Tenant acknowledges that those regulations have been made available for review and agrees to be bound by the terms and conditions of those regulations. Tenant further acknowledges that the T-Hangar and Refueling Regulations are material terms and conditions of this Lease and that any violation thereof shall be deemed a violation of this Lease and shall be a default under Section 17, *supra*. If any conflict between this Lease and such regulations exists, the terms of this Lease shall control.

31. Assignment.

(a) Tenant shall not assign, transfer, or encumber this Lease and shall not sublease the Leased Space or any part thereof without the prior written consent of the City.

(b) Notwithstanding any permitted assignment or subleasing of the Leased Space, Tenant shall, at all times during the Term or any Option Term of this Lease, be responsible and liable for the payment of Rent as herein specified and for compliance with all other obligations under the terms and provisions of this Lease.

32. Authorization. Each of the persons executing this Lease, in behalf of the respective parties, represents and warrants that he or she has the authority to bind the party in behalf of whom he or she has executed this Lease, and that all acts required and necessary for authorization to enter into and to execute this Lease have been completed.

33. Notice. Notice under this Lease shall be provided in writing to the parties at the following addresses:

(a) Notice to the City:
City of Lawrence, Kansas
Airport Manager
6 East 6th Street
P.O. Box 708
Lawrence, Kansas 66044

(b) Notice to Tenant:
Tenant Name
Tenant Address
Tenant Address 2

34. **Successors and Assigns.** This Lease shall be binding upon and inure to the benefit of the parties, their respective heirs, personal representatives, successors, and assigns.
35. **Non-waiver.** Failure of either party to insist on strict performance of any of the conditions, covenants, terms, or provisions of this Lease or to exercise any of its rights hereunder shall not waive such rights, but the party shall have the right to enforce such rights at any time and to take such action as might be lawful or authorized hereunder, whether in law or equity.
36. **Severability.** If any section, sentence, clause, or phrase of this Lease is found to be invalid by any court of competent jurisdiction, it shall not affect the validity of any remaining provision of this Lease.
37. **Venue.** The parties agree that the appropriate venues for any legal actions arising out of this Lease are the District Court of Douglas County, Kansas, or, if federal jurisdiction exists, the United States District Court for the District of Kansas.
38. **Governing Law.** This Lease shall be governed by the laws of the State of Kansas.
39. **Miscellaneous.**
- (a) This Lease supersedes all prior discussions and negotiations and contains all agreements and understandings between the City and Tenant with respect to the subject matter hereof. This Lease may only be amended by a writing signed by all parties.
 - (b) The provisions of the Lease relating to indemnification shall survive any termination or expiration of this Lease. Any provision of this Lease that would require performance subsequent to the termination or expiration of this Lease shall likewise survive any such termination or expiration.
 - (c) The prevailing party in any litigation arising hereunder shall be entitled to reimbursement from the other party of its reasonable attorneys' fees and court costs, including the prosecution of any appeal.
 - (d) The recitals are incorporated herein by reference as if set forth herein in full.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the undersigned have caused this T-Hangar Lease Agreement to be executed as of the date noted above.

**CITY:
CITY OF LAWRENCE, KANSAS, a
municipal corporation**

CRAIG S. OWENS
City Manager

ACKNOWLEDGMENT

THE STATE OF KANSAS)
)
THE COUNTY OF DOUGLAS) ss:

BE IT REMEMBERED, that on this ____ day of _____, 2020, before me the undersigned, a notary public in and for the County and State aforesaid, came Craig S. Owens, as City Manager of the City of Lawrence, Kansas, who is personally known to me to be the same person who executed this instrument in writing, and said person fully acknowledged this instrument to be the act and deed of the aforementioned entity.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal, the day and year last written above.

Notary Public

My Appointment Expires:

TENANT:
XXXXX XXXXX

XXXXX XXXXX

ACKNOWLEDGMENT

THE STATE OF KANSAS)
) ss:
THE COUNTY OF DOUGLAS)

BE IT REMEMBERED, that on this ____ day of _____, 2020, before me the undersigned, a notary public in and for the County and State aforesaid, came **XXXXXX**, who is personally known to me to be the same person who executed this instrument in writing, and said person fully acknowledged this instrument to be his voluntary act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal, the day and year last written above.

Notary Public

My Appointment Expires:

EXHIBIT A

LAWRENCE MUNICIPAL AIRPORT T-HANGAR REGULATIONS

- 1.** Tenant must ensure that the doors of the Leased Space are closed at all times when the Leased Space is unattended.
- 2.** Tenant may not park vehicles or aircraft outside of the Leased Space or in such a manner that would impede the movement of aircraft. Vehicles not parked inside the Leased Space must be parked in the authorized Airport parking area.
- 3.** Tenant are responsible for reporting all damage or building maintenance problems to the Airport Manager or his or her designated representative.
- 4.** Tenant shall not allow the fueling or defueling of any aircraft or vehicle when any part of such aircraft or vehicle is inside the Leased Space.
- 5.** No maintenance of the aircraft, except such minor maintenance as would normally be performed by the owner without the benefit of an aircraft mechanic, is permitted in the Leased Space.
- 6.** Tenant are responsible for the removal of snow, ice, sand, gravel, or dirt from the path or track of the entrance to the Leased Space.
- 7.** The Leased Space is to be used solely for the sheltering and security of aircraft and equipment and items directly related to the operation of aircraft. Nothing may be stored in the Leased Space that would constitute a fire, health, or environmental hazard.
- 8.** Tenant are encouraged to keep the Leased Space locked at all times for the protection of the Hangar, the Leased Space, aircraft, and other personal property. If Tenant use a lock to secure the Leased Space, the Tenant must provide a key to the FBO for the sake of emergency removal of the aircraft in the event of emergency.
- 9.** Rent is due, in advance, on the first day of each quarter (January 1, April 1, July 1, and October 1). On those dates, payment must be remitted in full by 5:00 p.m. to the offices of the City of Lawrence, Kansas, located at 6 E. 6th Street / P.O. Box 708, Lawrence, Kansas 66044. Upon any Rent not received during the first fifteen days of a quarter, a delinquency fee of 10% will be assessed. All Rent or other charges that are payable to the City shall be paid when due, with or without invoice, notice, or written demand by the City.

- 10.** The Leased Space will be inspected annually by the Airport Manager, or his or her designee, for maintenance purposes.

EXHIBIT B

LAWRENCE MUNICIPAL AIRPORT FUEL DISPENSING REGULATIONS

The following are minimum standards to be followed by owner(s) of aircraft (Owner) desiring to conduct fueling of aircraft at the Lawrence Municipal Airport (Airport).

1. Restrictions.

- (b) Owners authorized to conduct the fueling of aircraft shall be restricted from selling or providing aircraft fuels to other Airport users, including any locally-based and transient aircraft.
- (b) Any dispensing of fuel into aircraft at the Airport by contracting with a public fuel dealer is strictly prohibited.

2. Standards. All aircraft fueling systems, equipment, procedures, and operations shall meet those standards required by all applicable federal, state, and local regulations.

3. Self-service Fueling Safety Procedures. Self-service fueling is provided at the Airport. In using the self-fueling service, the owner/operator assumes all risks of potential personal injury, property damage, and third-party liability. It is recommended that individuals using the self-service fueling service be familiar with proper safety procedures, including but not limited to the following:

- (a) The ability to operate a fire extinguisher at the designated fueling area;
- (b) Knowledge of grounding and bonding;
- (c) Knowledge of local fire safety regulations; and
- (d) Familiarity with fuel spill procedures.

4. Fueling Facilities.

- (a) Equipment and Procedures:
 - (i) Transport vehicles and dispensers shall be properly equipped, maintained, and operated.

- (ii)** Fuel must be dispensed from an approved container outside of and away from buildings.
 - (iii)** Aircraft and fuel-dispensing vehicles/tanks must be grounded during fueling operations.
 - (iv)** Fuel transfer methods and fire extinguishers must meet standards set forth in the City Code or other applicable federal, state, and local regulations.
- (b)** Fueling Areas: Aircraft fueling shall be conducted only in open areas outside and away from buildings.