

Lease Date _____

**CITY OF CRETE, NEBRASKA AIRPORT
T-HANGAR LEASE AGREEMENT**

This Agreement is entered into between the City of Crete, Nebraska ("City") and the individual, business entity, or other association listed in Part 1 below ("Lessee").

AGREEMENT:

In consideration of the mutual promises and understandings of the parties set forth below, the parties agree as follows:

PART I: LESSEE AND AIRCRAFT INFORMATION.

HANGAR NO: _____

Name of Lessee: _____

Name of Primary Contact (if a business): _____

Address: _____

Telephone: Business (____) _____ - _____ Home/Cell (____) _____ - _____

E-mail: _____

Preferred method of communication: Mail _____ E-mail _____

Secondary Contact Name : _____

Secondary Contact Phone: (____) _____ - _____

Year, Make, and Model of Aircraft: _____

Aircraft Registration (Tail) Number: _____

Lessee Rent Payment Schedule:

Annual _____ Quarterly _____

PART II: GENERAL TERMS AND CONDITIONS.

§2.01 Hangar Space Provided; Use of Hangar Space.

Lessee shall be entitled to possess and use hangar _____ located on the real property owned by the City.

The Premises shall be used solely for storage and maintenance of aircraft owned or partly owned by lessee and of any parts, fixtures, tools, supplies, or equipment associated with the aircraft.

§2.02 Payment for Hangar Space; Method of Payment; Prepayment of Rent; Late Payments and Late Fees.

Lessee shall pay monthly rent to the City in the amount of _____ per month. All rents are due and payable the first day of each month. In the event the initial period commences on a day other than the first day of such month, the rent for the first month shall be prorated.

All payments shall be made by card, check, ACH deposit, or other appropriate payment mechanism as determined by the City.

Payments are due the first day of each month. Lessee must pay quarterly or annually and must notify the City of which interval they wish to pay in. Lessee must ensure payments remain current to the month no matter the prepayment schedule they select.

The City shall impose a late charge on all overdue rent payments in the amount of **Twenty-Five Dollars (\$25.00)** on all payments more than five (5) days past due. The City shall impose an additional late charge on all overdue rent payments in the amount of **Twenty-Five Dollar (\$25.00)** on all payments more than 30 days past due. Failure to pay after Sixty (60) days shall be a substantial breach and the City shall proceed with termination of this agreement and eviction at that time.

§2.03 Lease Term.

The lease shall start on _____ and will last twelve months, ending on _____. The parties may extend the term of the lease for up to two (2) additional twelve (12) month periods if mutually agreed to in writing. Any additional terms shall be bound by the same terms and conditions as the original lease term. The City reserves the right to increase the hangar rental rate prior to the lease extensions.

§2.04 Rental Deposit.

The Lessee shall provide a deposit equal to 3 month's rent at the signing of this agreement. This deposit shall be returned to the Lessee once this agreement is completed and a satisfactory inspection of the hangar for any damage beyond standard wear and tear is completed. The deposit shall be used to cover the cost to repair excessive damage caused by the Lessee, the cost of removing and disposing of items left in the hangar, or the remaining balance on the Lessee's account. Any funds remaining after covering these costs shall be returned to the Lessee. If the cost for removal of property or excessive damage surpasses the deposit amount, the Lessee will be billed for the remaining balance.

§2.05 Authorized Aircraft; Aircraft Changes; Aircraft Restoration/Construction.

The Airport Authority shall use Federal Aviation Administration ("FAA") records to determine aircraft ownership. Lessee must be named on the FAA aircraft registration for the primary aircraft intended to be stored on the Premises and on the proof of insurance for the duration of the lease, and Lessee must demonstrate at least twenty percent (20%) ownership of the aircraft. Lessee agrees to provide notice to the Airport Authority of any change in aircraft ownership or aircraft registration number within thirty (30) days of such change.

In the event Lessee sells, disposes, or otherwise loses ownership of the authorized aircraft, Lessee shall notify the City in writing within fifteen (15) business days and must place another aircraft owned or partly owned by Lessee in the Premises within 270 days of the notification and provide the year, make, model, and aircraft registration number to the City. If another aircraft has not been placed in the Premises at the end of the 270 days or the City is not informed of the new aircraft, this lease shall be terminated unless an extension has been approved in writing by the City.

If Lessee intends to store an aircraft that is not airworthy or intends to restore, construct, or engage in the major repair of an aircraft, the project must first be registered with the City, and a mutually agreeable work schedule to complete the project aircraft must be arranged. Such work shall be allowed as long as discernible progress is made towards project completion on a continual basis. A periodic project status report demonstrating discernible progress pursuant to the agreed upon work schedule shall be provided to the City upon request. Failing to provide evidence of discernible progress or a reasonable explanation for delay will result in a default of the terms and conditions of this lease. In order to confirm condition and airworthiness of an aircraft, each tenant shall have an annual or condition inspection of their aircraft by an insured mechanic each year.

§2.06 Surrender of Premises; Removal of Personal Property.

Lessee agrees to peaceably surrender possession of the Premises at the end of the Lease Term in as good a condition as when possession was granted, acts of God and usual wear and tear excepted. Upon any default of the terms and conditions of this lease, the City may enter the Premises and remove all of Lessee's property.

Upon vacation of the Premises or termination of the Lease, Lessee agrees to immediately remove all of its belongings, possessions, or materials from the Premises. If any such belongings, possessions, or materials are not so removed, the City shall have the right to remove such items at Lessee's expense.

Failure to peaceably surrender possession of the Premises will result in the Lessee being charged with all cleaning and legal fees related to the eviction from the Premises.

§2.07 Right of Ingress and Egress.

Lessee shall have at all times the right of reasonable ingress to and egress from the Premises, subject to acts of God, severe weather conditions, or physical impossibility. City shall have right to enter and inspect the Premises with twenty-four (24) hours' notice to the Lessee.

§2.08 Hangar Repairs, Modifications, or Improvements.

Lessee shall immediately report to the City any damage to or defects in the Premises. In the event any repairs or improvements need to be made, installed, or completed on the Premises, whether or not caused by or attributable to the actions or negligence of Lessee, any and all such repairs or improvements are to be completed by the City or a contractor of its choice. Any repairs needed to be made due to the actions, negligence, or omission of Lessee shall be paid by Lessee within fourteen (14) days after notification of such charges.

In no event shall Lessee be allowed or permitted to make any repairs, modifications, or improvements to the Premises without the prior written approval and consent of the City.

§2.09 Destruction of Property.

In the event of a partial destruction of the Premises, the City shall endeavor to repair the damage in a reasonable and timely fashion, provided the repairs can be made within sixty (60) days. Any partial destruction shall neither annul nor void this lease. Lessee shall be entitled to an equitable and/or pro rata reduction of rent while the repairs are being made.

In the event the City cannot make the repairs within the specified time or the repairs are impracticable or not cost-effective in light of the damage to the Premises, the lease shall be terminated, and any prepayment of rent shall be returned to Lessee on an equitable and/or pro rata basis.

§2.10 Incorporation of Rules and Regulations.

All parts, provisions, and definitions found in the Crete Municipal Airport Rules and Regulations shall be incorporated herein by reference, and all rights, duties, and responsibilities contained therein shall be fully binding on both parties as if wholly set out in this agreement.

PART III: BREACHES AND TERMINATION.

§3.01 Early Termination.

The City may terminate the lease at any time without penalty by giving Lessee at least sixty (60) days written notice.

This lease may also be terminated, in whole or in part, prior to the completion of the Lease Term if and when both parties agree that continuation is not feasible or would not produce beneficial results for either party. The parties must agree on the termination condition, including the effective date of the termination, the portion (if in part) to be terminated, and any allocation of rent payments under the lease.

§3.02 Non-performance or Other Breach by Lessee.

In the event of a substantial breach of the provisions of this lease, including but not limited to the non-payment of the rent required of the Lessee, the City will be entitled to declare such substantial breach a default and to terminate the lease in whole or in part. The City may allow Lessee time to cure a breach of the lease; however, allowing Lessee time to cure a breach does not waive the City's right to terminate the lease for the same or different breach which may occur at a different time.

§3.03 Force Majeure.

Neither party shall be liable for any costs or damages resulting from its inability to perform any of its obligations under the lease due to a natural disaster or other similar event outside the control of and not attributable to the fault or negligence of the party ("Force Majeure Event"). A Force Majeure Event shall not constitute a breach of the lease. A party so affected shall immediately give notice to the other party of the Force Majeure Event. The City may grant relief from the performance of the lease if the Lessee is prevented from performance by a Force Majeure Event. The burden of proof for the need of such relief shall rest with Lessee. To obtain release based on Force Majeure Event, Lessee must file a written request for such relief with the City.

§3.04 Non-Waiver/Waivers in Writing.

The City's failure to insist upon the strict performance of any provision of this lease or to exercise any right based upon breach will not constitute a waiver of any rights under this lease. No custom or practice of the parties which varies from a term of this lease shall be a waiver of any party's right to demand exact compliance with the terms of this lease, and no conditions or provisions of this lease can be waived unless approved by the City in writing.

PART IV: SUPPLEMENTAL TERMS AND CONDITIONS

§4.01 Designation of Officials to Execute Lease and Amendments.

The City or their designee is the official authorized to execute this lease and any amendments to this lease on behalf of the City.

Lessee's representative who is duly authorized by law to execute this lease, or their successor, is the official authorized to execute this lease and any amendments to this lease on behalf of Lessee.

Either party may request amendments to this lease; however, amendments will not take effect until mutually agreed to, in writing, by both parties.

§4.02 Assignment of Interest.

Lessee may not assign or transfer any interest in this lease or the Premises without the prior, written authorization of the City. If any assignment or transfer is authorized, Lessee shall remain solely responsible for all obligations under this lease and for the conformance to the terms and conditions of this lease by any assignee or transferee. Any breach or default of this lease by any assignee or transferee shall be considered a breach or default of Lessee.

§4.03 Relationship of the Parties.

Nothing in this lease should be construed in any manner as creating or establishing a partnership, joint venture, or agency relationship between the parties, nor shall either party have the right, power, or authority to create any obligations or duty, express or implied, on behalf of the other party.

§4.04 Notice.

Except as otherwise expressly specified herein, all notices, requests, or other communications shall be in writing and shall be deemed to have been given if delivered personally or mailed by U.S. Mail, postage prepaid and return receipt requested. To the parties at their respective addresses as may be specified in writing by either party. All notices, requests, or communications shall be deemed effective upon personal delivery or four (4) calendar days following deposit in the mail.

§4.05 Insurance; Taxes and Assessments.

It shall be the responsibility of Lessee to ensure that its property is covered by a hazard and public liability insurance policy or policies. The hazard insurance policies shall insure the Premises against loss or damage by fire and other perils as required by the Nebraska Standard Fire Insurance Policy and extended coverage endorsements. Property damage shall be insured in an amount not less than One Million Dollars (\$1,000,000) and the public liability insurance policy shall provide coverage in an amount not less than One Million Dollars (\$1,000,000). Lessee agrees to provide proof of such liability coverage to the City at the commencement of the Lease Term, prior to any extension, and at any time upon request.

The City must be named a coinsured upon all policies, and the policies must include coverage of loss to the City's property and the property of other lessees caused by the actions, negligence, or omissions of Lessee and its agents, employees, invitees, successors, or assigns. The storage of any aircraft on the Premises without proper insurance coverage shall be deemed a substantial breach of this lease.

Lapsed insurance policies or failure to list the City as a coinsured on the policies shall be considered a substantial breach by the Lessee and shall result in the termination of this agreement.

Lessee shall pay, prior to delinquency, and remain responsible for any and all personal taxes or assessments levied upon the property owned by Lessee and kept or stored upon the Premises. The City shall pay all real estate taxes as they become dues and any and all assessments for the Premises.

§4.06 Non-Liability/Hold Harmless

The City shall not be liable to Lessee or its agents, representatives, invitees, guests, or employees for any personal injury, death, or damage to personal property caused by theft, burglary, fire, or any other cause occurring on or about the property.

Lessee shall be responsible for and shall indemnify and hold the City harmless from any and all claims, demands, or actions made by any person for any loss or damage sustained based upon or arising out of the negligent or willful acts or omissions of Lessee, its agents, invitees, guests, or employees. Lessee shall have no right to indemnification or contribution from the City for any judgments rendered against it.

§4.07 Compliance with Law; Governing Law

Lessee shall comply with all applicable federal, state, and local laws, Federal Aviation Administration Regulations, and the Rules and Regulations of the Crete Airport pertaining to Lessee's use of the Premises and the Airport, whether now in effect or hereafter amended or adopted.

This lease shall be governed by, construed according to the laws and regulations of, and subject to the jurisdiction of the State of Nebraska.

§4.08 Entire Agreement; Binding Effect; Counterparts; Severability.

This instrument and any documents incorporated herein by reference constitute the entire agreement of the parties, and any representations or promises not contained herein shall not be binding upon the parties.

This agreement shall be binding upon and inure to the benefit of the parties and their respective successors, assigns, heirs, and legal representatives.

This agreement or any amendments to this agreement may be signed in any number of counterparts; each of which will be considered an original, and all of which taken together will constitute one agreement or amendment, as the case may be.

Each section, paragraph, clause, sentence, and word of this agreement is intended to be severable. If any part of this lease or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect the other portions of this lease that can be given effect without the invalid part.

ACCEPTANCE PROVISIONS.

The parties acknowledge they have read and understand this lease, they agree to its provisions, and that it will be effective on the date when both parties have signed.

CITY OF CRETE	LESSEE
By: _____ (Authorized Official)	By: _____ (Authorized Official)
_____ (Typed or Printed Name/Title)	_____ (Typed or Printed Name/Title)

(Date)	(Date)
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