

THE CITY OF



OWATONNA

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TO: Honorable Mayor and City Council Members, City Administrator
FROM: Dave Beaver, Airport Manager
DATE: February 24, 2021
RE: T-Hangar Lease Agreement

Purpose:

To approve the agreement for the rental of a T-hangar unit located at the Owatonna Degner Regional Airport to Matt Reed.

Background:

The agreement provides for the rental of a T-hangar unit at the airport for a one year term. The lease agreement is a standard T-hangar lease form used for this purpose and has been reviewed by the City Attorney. The T-hangar units are used primarily for the non-commercial storage of aircraft.

Budget Impact:

The rental fee provided for in the agreement is for One Hundred Forty Five dollars (\$145.00) per month. This is a total annual airport revenue of \$1,740.00.

Recommendation:

Staff recommends approval.

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.

The Tenant shall defend, indemnify and hold the City of Owatonna harmless from any claims or liabilities as a result of Tenant's failure to procure and to keep in force the insurance required in the Lease.

9. **ATTORNEY FEES**. Lessee shall pay and discharge all costs, attorney fees, and expenses arising from enforcing any covenants or forfeiture hereof.

10. **TERMINATION**. In case Lessee shall fail to make any of the above-mentioned payments as specified or fail to keep and perform any of the covenants and agreements herein contained, Lessor may immediately and without notice terminate this lease and re-enter and repossess said premises, without prejudice, to its claims for earned cash rent. The following by way of illustration but not by limitation shall constitute a default under this lease:

(1) Tenant fails to pay money owed to the City of Owatonna under this Lease when due, and such failure continues for ten (10) days after written notice from the City of Owatonna.

(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 the City of Owatonna.

(3) Tenant assigns, subleases or transfers this Lease except as otherwise permitted, and such default continues for ten (10) days following written notice from the City of Owatonna.

(4) 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 not to comply with this Lease; or the City of Owatonna receives such notice of any such conditions pursuant to Section 7., and such failure continues for a period of ten (10) days following written notice from the City of Owatonna to Tenant.

(5) Tenant vacates or abandons the Premises, and such default continues for ten (10) days following written notice from the City of Owatonna to Tenant.

(6) Tenant fails to abide by any applicable federal, state, or municipal statutes, regulation, ordinance, rule, or airport policy

(7) Any other action or inaction on the tenant's part which the City determines is in breach of the lease.

EXHIBIT "B"

- _____ 1. Aircraft Type CESNA 150
- _____ 2. Serial Number 15076850
- _____ 3. Registration Number N55332
- _____ 4. Present Condition of Aircraft AIRWORTHY
- _____ 5. Present Market Value 28,500
- _____ 6. Insurance Carrier GLOBAL AEROSPACE

Attach Copy of Insurance Certificate