

HANGAR LEASE

THIS AGREEMENT, made and entered into this _____ day of _____, 2005 by and between the City of Le Sueur, a municipal corporation organized and existing under and by virtue of the laws of the State of Minnesota, hereinafter referred to as "Lessor" and _____, hereinafter referred to as "Lessee", with reference to Hangar # _____ located at the Le Sueur Municipal Airport hereinafter referred as the "Airport".

The parties hereto for and in consideration of the rents, covenants and agreements contained herein agree as follows:

I. Premises

The Lessor does hereby demise and let unto the Lessee and the Lessee does hereby hire and take from the Lessor the premises and facilities, rights, licenses and privileges on and in connection with the property and improvements of Lessor specified at said Airport as is more particularly set forth herein:

- A. Use of Airport: The use in common, with other persons authorized by the City, of the Airport and all appurtenances, facilities, improvements, equipment and services which have been or may hereafter be provided for public use at the Airport.
- B. Hangar Space: Lessee shall have the exclusive use of approximately _____ square feet in the area designated for airplane hangars as the same is more particularly set forth and shown on Exhibit "A" which is attached

hereto, incorporated herein and made a part hereof by reference. Such area shall be used only for the purpose of storing airplanes or for the storage of any airplane related auxiliary machinery and maintenance equipment.

- C. Right of Access, Ingress and Egress: Lessee shall have the non-exclusive right to traverse lands owned by Lessor adjacent to the demised premises for the purpose of ingress and egress to said premises and to insure access thereto. Provided, however, such right of access shall not be used by Lessee in a manner that would cause damage to Lessor and/or third parties or otherwise inhibit Lessor's use of said Airport.

II. Term

Subject to earlier termination as hereinafter provided, the initial term of this lease shall be for a period of three years commencing April 1, 2005 and ending on March 31, 2008.

III. Rentals and Fees

The Lessee of Lots 1 thru 16, agrees to pay Lessor at the Office of the City Clerk, the sum of \$.30 per square foot or Three Hundred dollars (\$300.00) per lot, whichever is greater, as rent hereunder. The total number of square feet shall be determined by the dimensions set forth in Exhibit "A". Such rent shall be payable in three equal annual installments of \$.10 per square foot or One Hundred dollars

(\$100.00), whichever is greater, commencing April 1, 2005 and continuing thereafter on the 1st day of each and every April throughout the term of this Lease Agreement.

The Lessee of Lots 17 thru 40, agrees to pay Lessor at the Office of the City Clerk, the sum of Seven Hundred Fifty dollars (\$750.00) per lot, as rent hereunder. Such rent shall be payable in three equal annual installments of Two Hundred Fifty dollars (\$250.00) commencing April 1, 2005 and continuing thereafter on the 1st day of each and every April throughout the term of this Lease Agreement.

In the event that Lessee pays all sums due and owing under this Lease Agreement rather than paying three equal annual installments thereof on or before April 1, 2005, then and in that event Lessee shall be given a 5% discount of the total amount owed. In the event that Lessee fails to make any rental payment within thirty days after the date due, Lessee shall owe, in addition to such rental payment, a penalty of 20% thereof as a penalty for late payment. Provided, however, the minimum penalty for late payment shall be the sum of \$10.00 in the event that Lessee fails to make such rental payment within thirty days after the date due as above set forth.

IV. Maintenance of Hangar

Lessee agrees to keep, repair and maintain the hangar and the area surrounding said hangar within 10 feet of each side of said hangar free and clear of any accumulation of dirt, debris, ice, snow or other matter and shall keep said hangar and all its appurtenances in proper condition for their intended use and shall keep and maintain the premises free and clear of any growth of weeds, grass, sprouts, bushes, stumps,

garbage or other matter of similar or dissimilar character tending to render said premises unsightly, unsanitary or unsafe for use as a hangar and detracting from the efficient operation of said Airport.

V. Rules and Regulations

Lessee covenants and agrees to observe and obey all applicable statutes, ordinances, rules and regulations which may from time to time during the term hereof be promulgated and enforced by Lessor or other competent authority; provided the same are consistent with safety and do not conflict with the rules of any federal agency having jurisdiction thereover, and are not inconsistent with the procedures prescribed or approved from time to time by the Federal Aviation Agency for landing and taking off of Lessee's aircraft at said Airport.

Lessee shall specifically comply with all Federal, State, and Municipal regulations applicable to Lessee involving the storage and disposal of hazardous waste as defined by Federal and State regulations. Lessee shall hold the City harmless and free and clear of any and all liability in connection with the storage and disposal of hazardous waste and shall indemnify the City for any loss including reasonable attorneys fees and costs. It is specifically understood and agreed between the parties that Lessee shall be prohibited from dumping any hazardous wastes on or otherwise disposing any hazardous waste at the Le Sueur Municipal Airport.

VI. Control Over Rates, Fares or Charges

Lessor shall have no control whatsoever over the rates, fares, or charges that Lessee may prescribe for any of its services by air or land to, from or through said Airport.

VII. Assignment of Lease and Subletting

Lessee shall not assign this lease or sublet or grant any concession or license to use the premises or any part thereof herein described without the prior written consent of Lessor. A consent by Lessor to any assignment, subletting, concession or license shall not be deemed to be a consent to any other assignment, subletting, concession or license. An assignment, subletting, concession or license without the prior written consent of Lessor or an assignment or subletting by operation of law shall be void and shall at Lessor's option terminate this lease.

VIII. Quiet Enjoyment

Lessor agrees that upon payment of the rent and performance hereunder, Lessee shall hold and enjoy the leased premises free from interference by Lessor.

IX. Cancellation by Lessor

In the event that Lessee shall file a voluntary petition of bankruptcy or that proceedings in bankruptcy shall be instituted against him and Lessee thereafter is adjudicated bankrupt pursuant to such proceedings or that Lessee shall be divested of his estate herein by other operation of law or that Lessee shall fail to perform, keep and observe any of the terms, covenants and conditions herein contained on his part to be performed, the Lessor may give the Lessee written notice sent by certified mail return

receipt requested to Lessee's last known address to correct such condition or cure such default and if any such condition or default shall continue for thirty (30) days after the sending of such notice by the Lessor, the Lessor may, after the lapse of said thirty (30) day period, and prior to the correction or curing of said condition of default terminate this Lease by giving ten (10) days written notice sent to Lessee by certified mail return receipt requested at Lessee's last known address. Such ten (10) day period shall commence upon mailing such written notice. In the event that this Agreement is so terminated, Lessee will have a period of sixty (60) days in which to remove his hangar from the premises or to transfer his interest therein. If, after the expiration of said sixty (60) day period, Lessee has failed to divest himself of his interest in said hangar or to remove said hangar from the premises, Lessor may at its option remove said hangar from the premises in any manner that Lessor sees fit and proper and Lessee shall reimburse Lessor for any costs involved with said removal. Lessor shall not be responsible for any damages occurring to said hangar if removed by Lessor or its assigns. Such reimbursement shall be due and payable upon presentment to Lessee of a bill itemizing such costs and expenses involved therein. Lessee shall not be entitled to any refund of rent paid in the event of cancellation by Lessor.

X. Restoration of Leasehold

Lessee shall at the termination of said lease restore the area set forth and marked Exhibit "A" to the same condition as it existed prior to the commencement of this lease.

There shall be removed all foreign matter from the area and Lessee shall fill in all holes and depressions and make the area level.

XI. Holding Over

Should Lessee remain in possession of the area set forth and marked on Exhibit "A" with the consent of Lessor after the natural expiration of this lease, a new tenancy from month to month shall be created between Lessor and Lessee, which shall be subject to all of the terms and conditions hereof but shall be terminable upon thirty (30) days written notice served by either Lessor or Lessee by certified mail return receipt requested at such party's last known address.

XII. Utilities

Lessee shall be responsible for arranging for and paying all utilities and other services used or required on the premises, including but not limited to electricity, water, gas, refuse removal and telephone.

XIII. Cancellation by Lessee

Lessee 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. Lessee shall not be entitled to any refund of rent paid in the event of such cancellation.

XIV. Discrimination Prohibited

- A. Lessee, in the use of the Le Sueur Municipal Airport, shall not on the ground of race, disability, creed, age, marital status, color or national origin, or otherwise discriminate or permit discrimination against any

person or group of persons in any manner prohibited by Part 15 of the Federal Aviation Regulations, and Lessee further agrees to comply with any requirement made to enforce the foregoing which may be demanded of the Lessor by the United States Government under authority of said Part 15.

- B. Lessee in the conduct of its authorized business activities on said demised premises and on said Airport, shall furnish good, prompt and efficient service adequate to meet the demands for its service at the Airport, and shall furnish such service on a fair, equal and non-discriminatory basis to all users thereof, and shall charge fair, reasonable and non-discriminatory prices for each unit of sale or service; provided, however, that Lessee shall be allowed to make reasonable and non-discriminatory discounts, rebates, or other similar types of price reduction to volume purchasers.

XV. Business Privileges

Lessee shall have all rights and privileges to conduct all business operations authorized under the terms of this Lease, provided, however, that this agreement shall not be construed in any manner to grant the Lessee or those claiming under him the exclusive right to use the premises or facilities of the aforementioned Airport other than those premises leased exclusively to the Lessee hereunder.

XVI. Assumption of Risk

Lessee does hereby voluntarily assume all risk of accident or damage to his property and hereby releases Lessor, its officers and employees, from every claim, liability or demand

of any kind for or on account of any personal injury or damage of any kind sustained by him whether caused by the negligence of Lessor, its officers or employees. Lessee also agrees to indemnify and hold Lessor harmless from and against any liability of whatever nature including claims, losses and damage to which Lessor may be subjected by reason of any negligence of Lessee or his successors and assigns causing damage to persons or property or both in connection with Lessee's use of the demised premises or other facilities at the Airport including reasonable attorneys fees and costs.

XVII. Waiver

No waiver by Lessor with reference to any breach of any provision of this Agreement shall be deemed for any purpose to be a waiver of any breach of any other provision hereof. The rights of Lessor herein are cumulative and are in addition to any other legal rights which Lessor may have in the event of any default by Lessee.

XVIII. Construction of Agreement

This Agreement shall be construed under the laws and statutes of the State of Minnesota.

XIX. Relationship of Parties

Nothing contained in this agreement shall be deemed or construed by the parties or by any third person to create the relationship of principal and agent or of partnership

or of joint venture or any association between Lessor and Lessee other than that of Landlord-Tenant.

XX. Binding Effect

All the covenants, conditions and provisions of this agreement shall extend to and be binding upon the parties themselves, their legal representatives, successors, assigns, heirs and personal representatives of the respective parties hereto.

IN WITNESS WHEREOF, the parties have hereunto set their hands this _____ day of _____, 2005.

CITY OF LE SUEUR

— _____
Robert A. Oberle, Mayor

— _____
Laurie Swenson, City Clerk

— _____
Lessee

STATE OF MINNESOTA)
(SS
COUNTY OF LE SUEUR)

On this _____ day of _____, 2005, before me, a Notary Public, within and for said County and State, personally appeared Robert A. Oberle and Laurie

Swenson to me personally known, who, being by me duly sworn did say that they are respectively the Mayor and City Clerk of the Municipal corporation named in the foregoing instrument and that the seal affixed to said instrument is the corporate seal of said municipal corporation by authority of its Common Council and said Robert A. Oberle and Laurie Swenson acknowledge said instrument to be the free act and deed of said municipal corporation.

STATE OF MINNESOTA)
(SS
COUNTY OF)

On this _____ day of _____, 2005 before me, a Notary Public within and for said County and State, personally appeared _____, to me known to be the same person described in and who executed the foregoing instrument, and acknowledged that he executed the same as his free act and deed.
