

T-HANGAR LEASE AGREEMENT

This LEASE AGREEMENT (“Agreement”) is made and entered into this ____ day of _____, 2011, between _____ (“Tenant”) and the City of Abilene, Kansas, a municipal corporation, (the “City”) with respect to the facts and objectives set forth below.

RECITALS

- A. The City owns certain real property designated as the Abilene Municipal Airport (“Airport”) for general aviation use by the public and recognized by the Federal Aviation Administration (“FAA”) and the Kansas Department of Transportation (“KDOT”) for such general aviation use.
- B. The City owns and maintains a T-Hangar structure (“T-Hangar”) at the Airport for lease to tenants for the storage of airworthy aircraft per the provisions of this Agreement and other applicable regulations.
- C. The City seeks to preserve the purpose of general aviation use of the Airport and provide for the prudent stewardship of taxpayer resources in the equitable and efficient administration of airport affairs.
- D. The City Commission has authorized the City Manager to provide oversight on matters pertaining to this Lease Agreement, and the City Manager may designate other City personnel as needed to assist with the enforcement of this Policy and other applicable regulations.
- E. Tenant desires to lease a T-Hangar from City for the purpose of storing an Airworthy Aircraft (“Aircraft”) per the provisions of this Agreement and applicable ordinances and regulations.

NOW, THEREFORE, in accordance of the mutual promises and the agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties, the parties agree to the following terms and conditions:

SECTION ONE: PERMITTED USE. The City shall permit Tenant to store an FAA-certified airworthy Aircraft and the necessary ground handling equipment in a T-Hangar assigned to the Tenant, such T-Hangar being located at the Airport, subject to the terms and conditions herein provided and other applicable policies of the City. The storage of all other items and materials is expressly prohibited.

SECTION TWO: TERM. The term for this Agreement shall be one year commencing on January 1st and ending on December 31st of the year of execution. Agreements executed after January 1st shall continue until December 31st of the year of execution. Within thirty (30) days of the end of any given year that this Agreement is effective and prior to renewing this Agreement, the City Manager, or designee, shall conduct an inspection of the assigned T-Hangar to determine compliance with this Agreement. If, after inspection, the City Manager determines that the Tenant is compliant with the terms and conditions of this Agreement, such Agreement shall be automatically renewed for another one-year term effective January 1st. Any issues of non-compliance will be addressed as provided in Sections Eight and Nine of this Agreement.

SECTION THREE: LEASE PAYMENT. The City shall require the payment of a monthly Lease Rate as provided in the Comprehensive Fee Schedule of the City of Abilene, Kansas. All applicable fees charged under this Agreement shall be paid to the Community Development Department. T-Hangar Lease Rates shall be payable by the tenth (10th) day of each month, except when the tenth (10th) day of the month falls on a weekend or holiday and then the Lease Payment shall be payable on the next business day.

If the term hereof commences on a day other than the first (1st) day of the month, the City shall pro-rate the first month's Payment on a per day basis. Tenant agrees that City shall not invoice or otherwise notice Tenant of the due date of the Lease Payment. Said Lease Payment may be either hand-delivered to City Hall located at 419 N. Broadway Street in Abilene, Kansas, or mailed to City Hall as herein provided for other notices and communications. Such remittances shall be addressed to the Community Development Department. The City shall not be responsible for failure of delivery or otherwise.

SECTION FOUR: PENALTIES. The City shall require the payment of applicable penalty charges when the Lease Payment is not paid to the City by the tenth (10th) day of the month. Such penalty charges shall be inclusive of the monthly Lease Payment. The Penalty Charge for City-owned T-Hangar Lease Payments shall be equal to Twelve Percent (12%) of the Lease Payment and payable by the fifteenth (15th) day of the month.

A Daily Penalty Charge equal to Five Dollars (\$5.00) per day shall be charged to any Tenant having an outstanding balance as of the fifteenth (15th) day of the month. Such Daily Penalty Charge shall be charged until all Payments and Charges have been remitted to the City or the Lease Agreement has been terminated. Failure by any Tenants to remit payment to the City of all outstanding Lease Payments and Penalty Charges by the fifteenth (15th) day of the month shall require the City Manager to terminate the applicable Lease Agreement as provided in Section Nine, herein.

All penalty charges shall be established by ordinance and published and maintained in the Comprehensive Fee Schedule of the City of Abilene, Kansas.

SECTION FIVE: SETOFF PROGRAM. The City Manager is hereby authorized to submit any Lease Payments or Penalty Charges owed to the City to the State Setoff Program, as provided in K.S.A. 75-6201 *et seq.*, for collection following the termination of the Lease Agreement.

SECTION SIX: OBLIGATIONS; TENANT. The Tenant hereby agrees as to the terms and conditions of this Lease Agreement as herein provided:

1. Tenant's Aircraft shall be periodically operated so as to represent to the City that such T-Hangar is not being used solely for the storage of the Aircraft, but that the Aircraft is using Airport facilities for the operation of the Aircraft. Tenant shall be responsible for maintaining sufficient documentation to demonstrate operation of the Aircraft.
2. Tenant shall provide to City at the time of Effective Date of this Agreement and subsequent renewals, a copy of a current Aircraft Airworthy Annual Inspection, or for non- "N" numbered aircraft, an Aircraft Annual Condition Report (Non- "N" numbered aircraft includes, but is not limited to ultra-light or experimental type aircraft).
3. Tenant shall close T-Hangar doors promptly after returning or removing the Aircraft. Tenant shall not park or leave aircraft on the taxiway or on the pavement adjacent to the T-Hangar doors in a manner which unduly interferes with or obstructs access to adjacent T-Hangars, or interferes with snow removal operations.
4. Tenant agrees to not use the T-Hangar for repairing or overhauling any aircraft, vehicles or equipment, but shall only perform those specific types of preventative maintenance on any aircraft owned or operated by the Tenant as permitted by Part 43 of the Federal Aviation Regulations.
5. Tenant shall not conduct any charter, rental, repair or instructional service, or any other commercial activity or offices in the T-Hangar without prior written consent from the City Manager. Tenant shall

not use T-Hangar for social or other gatherings. Tenant shall not assign any interest of Tenant hereunder or sublet, license or permit any other party or parties to occupy any portion of T-Hangar.

6. Tenant agrees to report to the City Manager, or designee, any defects in the T-Hangar which the Tenant feels may require maintenance.
7. Per FAA Advisory Circular 150/5190-6, Tenants may assert their right to obtain their own fuel and transport it to the Airport to service their own Aircraft. Such fueling shall only be done by the Tenant or with their own employees and equipment and shall be done in conformance with reasonable airport rules, regulations, and standards. The Airport Manager agrees to make available, at the Airport and at a reasonable rate, an amount of fuel at a fuel grade sufficient to operate Aircraft used by Tenant.
8. Tenant shall maintain the T-Hangar in a clean manner and shall keep it free of debris, trash, or other foreign materials. Tenant shall not place any debris, trash, or other foreign materials on Airport grounds. Tenant shall not fuel any aircraft inside the T-Hangar, or store gasoline, explosives or flammables in the T-Hangar. Tenant shall be responsible for removing any debris including snow and ice from in front of leased T-Hanger to hanger area taxiway.
9. Tenant agrees to not paint, remove, deface, modify, bend, drill, cut or otherwise alter or modify any part of the T-Hangar. Tenant agrees to not attach any hoisting or holding mechanism to any part of the T-Hangar or pass any such mechanism over the struts or braces therein. For purposes of this Agreement, a hoisting or holding mechanism shall be deemed to include, but shall not be limited to, a chain-ball, block and tackle or other hoisting device. High voltage electrical equipment or machinery shall be prohibited from use in or near any T-Hangar. The modification of existing wiring or installation of additional outlets, fixtures or the like shall be prohibited.
10. The City will require access to any leased hangar and shall have the right of entry at any time. Tenant shall use locks provided by the City. Tenants may use a private lock after receiving express authorization from the City Manager. Tenants receiving such authorization must provide the Community Development Department and the Airport Manager a duplicate copy of the key needed to unlock the private lock. Such keys shall be provided prior to hangar being assigned, or if a hangar has already been assigned, at the time of the next rental payment.
11. The Tenant agrees to allow the Airport Manager, with prior permission, to relocate a Guest Aircraft being stored outside at Abilene Municipal Airport to the leased T-Hangar in the event of approaching inclement weather when the Tenant is not being used for the storage of the Tenant's Aircraft. Prior to allowing such guest usage of T-Hangar, Tenant shall opt-in to using T-Hangar under this section of the Agreement. The Airport Manager will not use T-Hangars for guest storage for any T-Hangar where the Tenant does not opt-in to participate. If opted-in, Tenant shall provide notice by email, fax, or phone to Airport Manager of the date of scheduled return so the Aircraft Manager may have any guest aircraft cleared prior to Tenant's scheduled arrival. The Airport Manager will be responsible for removing any Guest Aircraft located to the T-Hangar due to inclement weather as soon after the weather clears as is possible. Tenant agrees that neither the City or the Airport Manager shall be liable for the failure to remove any aircraft relocated as a result of inclement weather prior to the Tenant's need for use of the T-Hangar. Nothing in this section shall provide Tenant with the right to sublease or otherwise store aircraft other than registered Aircraft, as provided herein, within the T-Hangar.
12. Tenant agrees to notify the City Manager when Aircraft becomes un-airworthy and requires maintenance or repair that will require a duration in excess of sixty days. Aircraft maintenance or repair that requires more than sixty days must be pre-approved by the City Manager with a schedule of when the Aircraft will be made airworthy again. Failure to notify the City Manger or meet the schedule may require the City Manager to exercise the City's rights to terminate this Agreement.

13. The Tenant hereby certifies and agrees that the Aircraft designated at the end of this Agreement shall be the only Aircraft authorized for storage in the assigned T-Hangar as provided herein. Tenants may register up to three Aircraft for application of this Lease Agreement. Tenants may store other Aircraft in the T-Hangar not listed in this Agreement by first notifying the Airport Manager prior to such storage. Such other Aircraft must be either directly owned or rented by Tenant and be FAA-certified airworthy. Failure to notify Airport Manager of the storage of such other Aircraft may require enforcement of this Lease Agreement as provided in Section Eight.
14. Tenant agrees to comply with all rules, regulations, laws, ordinances and directives of any legally constituted authority now in force or hereafter promulgated with respect to the use of the Airport or the T-Hangar.

SECTION SEVEN: OBLIGATIONS; CITY. The City hereby agrees as to the terms and conditions of this Lease Agreement as herein provided:

1. Provide safe access to the T-Hangars by way of public taxiways and runways;
2. Provide removal of snow and ice to public taxiways and runways during inclement winter weather, except that the City shall not be responsible for the removal of snow and ice on each T-Hangar's immediate driveway adjacent to the taxiway nearest the T-Hangar facility;
3. Periodically inspect the T-Hangars and keep the T-Hangar in good repair;
4. Not be liable to Tenant or anyone else for any damage whatsoever to persons or property however occasioned; and
5. Have the right to enter and inspect the T-Hangar at any time.

SECTION EIGHT: T-HANGAR INSPECTION. The City Manager, or designee, shall periodically inspect the City-owned T-Hangars to determine if Tenant is in compliance with the provisions of the Lease Agreement and other applicable ordinances, regulations or policies. Inspections shall be conducted at least once per year in September, but may be conducted as often as deemed necessary by the City Manager. The City reserves the right to inspect City-owned T-Hangars with or without notice.

Upon completion of any inspection, the City will provide the Tenant written communication verifying the inspection and any compliance issues identified. Tenants shall be allowed thirty (30) days to address compliance issues. Following the thirty (30) days, the City Manager shall require a re-inspection to be done on the non-compliant hangar. The City Manager may allow for additional time for a Tenant to come into compliance if the City Manager determines that a hardship exists preventing a Tenant from complying within thirty (30) days.

Tenants leasing any hangars determined to be non-compliant after a re-inspection shall be provided written notice of such continued non-compliance by first class mail, return receipt requested. Said notice shall also notify Tenant of the City's intention to revoke the Lease Agreement with the Tenant within ten (10) days. The Tenant shall remove all items in the T-Hangar within ten (10) days or the City will exercise its rights contained in Section Nine of this Agreement.

SECTION NINE: TERMINATION. The Tenant may terminate this Agreement, at any time, by providing written notice to the City at least five (5) days prior to the end of any month during the term of this Agreement. Tenant will not be reimbursed any amount of the Lease Payment should Tenant elect to terminate Agreement voluntarily.

The City may terminate this Agreement if the City Manager determines that the Tenant is in default of any of its obligations herein, including but not limited to: any provisions of this Agreement, violations of any applicable airport policies, or rules and regulations as adopted by the City or the FAA. If the City elects to terminate this Agreement, the City shall notify Tenant by first class mail, return receipt requested, at the address provided herein.

City may, if after having been provided notice to Tenant as provided in Section Eight, take any and all actions necessary to remove Tenant's property to allow T-Hangar to be leased by City. Tenant shall be responsible for any and all costs associated with removal of personal property from T-Hangar, and City shall have the ability to pursue said costs with any resolution allowed in equity or law.

The City shall be authorized, without prior notice to the Tenant, to enter the T-Hangar and remove all Aircraft and other personal property. Such Aircraft shall be placed on an uncovered portion of the Airport and such other personal property shall be stored at the expense of the Tenant in a warehouse of the City's choosing. At such time, this Agreement shall thereupon be automatically terminated. Such termination shall have no effect upon Tenant's obligations accrued hereunder to the date of such termination.

When such Aircraft is so placed on an uncovered portion of the Airport, Tenant shall become obligated to pay the City with respect to such Aircraft, all storage rates when applicable on the Airport and all other reasonable charges imposed and expenses incurred by the City to remove the contents of T-Hangar. In addition to the foregoing, the City shall have the right to retain possession of the Aircraft and other personal property until such time as all sums due the City have been paid.

SECTION TEN: NOTICES AND COMMUNICATIONS. All notices to the Tenant shall be in writing and shall be mailed to the Tenant at the address indicated below. If any such notice to the Tenant shall be returned by the United States Postal Service, notice shall also be given by posting the same on the T-Hangar door. Tenant agrees to notify the City of any changes in address or aircraft ownership within thirty (30) days of such change.

All notices hereunder to the Tenant shall be in writing and shall be addressed and mailed to:

The Tenant may be contacted by phone at the following phone numbers:

Home: () _____ - _____
Work: () _____ - _____
Cell: () _____ - _____

All notices hereunder to the City shall be in writing and shall be addressed and mailed to:

City of Abilene, Kansas
Attn: City Manager
PO Box 519
Abilene, KS 67410

SECTION ELEVEN: ASSIGNMENT; TRANSFERRABILITY. No interest in this Agreement may be assigned by the Tenant. Tenant is expressly prohibited from subletting, licensing or permitting any other party or parties to occupy any portion of T-Hangar except as otherwise provided herein.

SECTION TWELVE: SEVERABILITY. If any provision or provisions of this Agreement shall be held to be invalid, illegal, unenforceable or in conflict with any federal, state, or local law, policy or regulation, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION THIRTEEN: INDEMNIFICATION. Tenant agrees to indemnify the City, its officer, employees and agents against and hold said parties harmless from any and all claims, demands, and liability which may be made or may arise as a consequence of Tenant's presence upon the Airport or the acts or omissions of the Tenant.

SECTION FOURTEEN: ENTIRE AGREEMENT. This document shall constitute the entire Agreement between the undersigned Tenant and the City.

NOW, THEREFORE, in consideration of the City of Abilene agreeing to the above mentioned conditions for the above described T-Hangar, the City does give full and complete consent to the Tenant for the use of the aforementioned T-Hangar in accordance with the provisions of this Agreement, the ordinances and regulations of the City and any other applicable laws or regulations of the State of Kansas or the Federal Aviation Administration at any time after the effective date of this Agreement.

AGREED TO AND ACCEPTED BY THE PARTIES BELOW ON THE ____ DAY OF _____, 2011.

CITY OF ABILENE, KANSAS

TENANT

By: _____
David B. Dillner, City Manager

Signature

Print Name

ATTEST:

Penny Soukup, City Clerk

PRIMARY AIRCRAFT

Aircraft N-Number

Aircraft Make and Model

SECONDARY AIRCRAFT

SECONDARY AIRCRAFT

Aircraft N-Number

Aircraft N-Number

Aircraft Make and Model

Aircraft Make and Model

**AUTHORIZATION TO OPT-IN PER SECTION 6.11
OF T-HANGAR LEASE AGREEMENT**

By signing below, Tenant hereby authorizes the Airport Manager to relocate a Guest Aircraft into the T-Hangar leased by Tenant in the event of approaching inclement weather per Section 6.11 of the T-Hangar Lease Agreement. Such relocation shall not be done without express permission being granted by Tenant to the Airport Manager.

Tenant hereby agrees to provide notice to the Airport Manager, by email, fax or phone, of the date and approximate time of the Tenant's return. Airport Manager shall have Guest Aircraft removed from Tenant's Hangar prior to Tenant's scheduled arrival as noticed by Tenant. Failure of Tenant to notify Airport Manager of the estimated time of arrival or any changes to flight schedule shall not be held against the Airport Manager or the City for failure to remove Guest Aircraft.

The Airport Manager will be responsible for removing any Guest Aircraft located to the T-Hangar due to inclement as soon after the weather clears as is possible.

Tenant agrees that neither the City or the Airport Manager shall be liable for the failure to remove any aircraft relocated as a result of inclement weather prior to the Tenant's need for use of the T-Hangar.

Tenant releases the City and Airport Manager from any liability for damage to Tenant's Aircraft as a result of the use of the Hangar by aircraft belonging to a guest who is not the Tenant. Should Tenant relocate a Guest Aircraft from T-Hangar neither the Airport Manager or the City shall be held liable for any damages to the Guest Aircraft resulting from such relocation. Tenant further holds the City and Airport Manager harmless from any liability for damages to a Guest Aircraft or the Aircraft of a Tenant under this opt-in Agreement.

Nothing in this section shall provide Tenant with the right to sublease or otherwise store aircraft other than registered Aircraft, as provided herein, within the T-Hangar.

Tenant understands that this authorization shall continue until terminated, in writing, by Tenant.

Signature

Date