

City of Olivia  
1009 West Lincoln Avenue  
Olivia, MN 56277-1250  
320-523-2361

T-HANGAR RENTAL APPLICATION

Name: First Middle Last Date of Birth

\_\_\_\_\_

Address: \_\_\_\_\_

City/State/Zip: \_\_\_\_\_

Phone number: \_\_\_\_\_ Cell phone: \_\_\_\_\_

E-mail address: \_\_\_\_\_

Business Information (if Applicable):

Business Name: \_\_\_\_\_

Business Address: \_\_\_\_\_

Minnesota Tax Identification Number: \_\_\_\_\_

Federal Tax Identification Number: \_\_\_\_\_

\_\_\_\_\_  
Position (Owner, Officer, Partner, Etc.)

Aircraft Information:

Year Make Model Color N No. State

\_\_\_\_\_

Emergency Contact:

Contact: \_\_\_\_\_ Relationship: \_\_\_\_\_ Phone: \_\_\_\_\_

Have you ever had any evictions, judgments, liens or bankruptcy, or do you have a  
bankruptcy or eviction pending? \_\_\_\_\_ If yes, explain: \_\_\_\_\_

\_\_\_\_\_

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APPROVAL

I hereby make application for the lease of a T-Hangar at the Olivia Regional Airport, on the terms specified below, and deposit herewith the sum \$100.00 to serve as an application deposit and damage deposit if I am awarded a lease. I agree to have the City retain this deposit in order for me to retain my position on the waiting list. I understand that at any time prior to being awarded a lease, I can request a refund of the deposit, however I would then give up my placement on the waiting list. If I am awarded a lease, then the deposit will be held as a damage deposit until the conclusion of the lease.

By signing this application I agree to accept this lease, if and when offered, and deliver a signed lease to the City for approval by the City Council within seven (7) business days thereafter.

I warrant that all statements above set forth are true. I further agree to abide by the rules, regulations and obligations which are included or attached to the lease, a sample of which is attached hereto as Exhibit A. I have read this sample lease and will accept terms of this lease if I am offered a hangar.

This application shall not be binding upon the City until approved by the City Council in writing. The delivery of a lease to the undersigned for signature shall not be construed as an acceptance of this application.

Applicant Signature: \_\_\_\_\_ Date: \_\_\_\_\_

MINNESOTA GOVERNMENT DATA PRACTICES ACT  
"TENNESSEN WARNING"

Data is requested from the applicant in various forms. The purpose and intended use of the requested data is to verify the applicant meets all state statute and City code provisions and, if the lease application is approved, to verify that all required data remains current.

I READ AND UNDERSTAND THE ABOVE INFORMATION REGARDING MY RIGHTS AS A SUBJECT OF GOVERNMENT DATA.

\_\_\_\_\_  
Signature Date: \_\_\_\_\_

FOR OFFICE USE ONLY

Address: \_\_\_\_\_ Unit No.: \_\_\_\_\_

Monthly Rental \$ \_\_\_\_\_ Application/Damage Deposit \$ \_\_\_\_\_

Lease Term: Start \_\_\_\_\_ End \_\_\_\_\_

Other Charges \_\_\_\_\_

Remarks \_\_\_\_\_ First Month's Rent \$ \_\_\_\_\_

\_\_\_\_\_ Deposit \$ \_\_\_\_\_

\_\_\_\_\_ Balance Due \$ \_\_\_\_\_

\_\_\_\_\_

**CITY OF OLIVIA  
OLIVIA REGIONAL AIRPORT HANGAR LEASE**

THIS AGREEMENT, is made this \_\_\_ of \_\_\_\_\_, \_\_\_\_\_, by and between the City of Olivia, (hereafter the “Lessor”), and \_\_\_\_\_, (hereafter the “Tenant”).

1. **Subject.** In consideration of the rents and covenants hereinafter mentioned, the Lessor leases to the Tenant, a hangar, constructed and owned by the City of Olivia, at the Olivia Regional Airport , in the City of Olivia, County of Renville and State of Minnesota, which building is located and described as follows:
  - a. Olivia Regional Airport  
Airport Hangar # \_\_\_\_\_  
2731 Lincoln Avenue West  
Olivia, MN 56277
  
2. **Term.** The Lessor leases the above-described premises to Tenant for a term of one year, from \_\_\_\_\_, 20\_\_ . This Lease shall automatically renew for an additional one-year term unless either party gives to the other party thirty (30) days notice before the expiration of any year’s term of that party’s intention to terminate the Lease at the end of the term. If no such notice be given, the Lease shall continue for an additional one (1) year, and successive one-year terms thereafter. Notwithstanding this provision, the Lessor reserves the right to increase the rent due and owing for the next term of the Lease by the giving of three (3) months written notice to the Tenant.
  
3. **Rent.** Tenant shall pay to Lessor a total rental of \$ \_\_\_\_\_ per year. The Tenant does covenant to pay the rent in one annual payment thirty (30) days in advance. Payments shall be delivered in person or sent by first class U.S. Mail to the City Office.
  
4. **Repairs and Expenses.** The Tenant shall be entitled to possession of the premises just as they are, without any liability or obligation on the part of the Lessor of making any alterations, improvements or repairs any kind on or about the premises.
  - a. The Tenant will keep and maintain the premises during the aforesaid term, and quit and deliver up the premises to the Lessor peaceable and quiet at the end of the said term, or at any previous termination thereof, for any cause, in as good order and condition and state of repair, as the same are now.
  - b. Tenant shall use all reasonable precautions to prevent waste, damage or injury to the leased premises and agrees to will comply with all lawful requirements of the local health board, police and fire departments, and municipal authorities, and laws of the United States or of the State of Minnesota. Tenant shall not use or permit anything upon the leased premises that will increase the rate of insurance thereon.

- c. Tenant will keep said premises continually in a neat, clean, and respectable condition, garbage and refuse of any kind to be removed at Tenant's expense. The Tenant shall return the premises in the same condition as delivered to the Tenant, reasonable wear and tear accepted. Tenant also agrees to replace all glass broken on the premises during said term, if any.
5. **Improvements.** Tenant will be allowed to improve or alter the leased premises, including without limitation the installation of fixtures, only with the consent of Lessor. Except as provided herein, all improvements or alterations erected or made on the leased premises shall, on expiration or sooner termination of this Lease, belong to the Lessor without compensation to Tenant.
  - a. **Fixtures.** All fixtures or other personal property installed or placed upon the leased premises by Tenant which can be removed at the end of the lease term without damage to the leased premises shall be removed by the Tenant at the end of the lease term. The Tenant shall remove any and all fixtures the Tenant has installed upon the premises at the termination of the Lease, and restore the premises following such fixture removal into its original condition.
6. **Purpose.** The use of these premises shall be the purpose of the storage of aircraft. Incidental storage of other items owned by the Tenant shall be permitted, not to exceed 20% of the hangar space, and provided that Tenant continues to store an aircraft within the facility. The hangar may not be used for general storage if no licensed or certified aircraft is stored therein. The ongoing storage of automobiles, RV's, boats, motorcycles, snowmobiles, or any other item not directly pertaining to the use of an aircraft is prohibited. In no case shall any hazardous material of any type (except for aviation gasoline within the aircraft fuel tanks) be stored therein at any time. The Tenant covenants that the premises will not be used by Tenant or others acting on the Tenant's control to use, possess, manufacture, sell, give away, barter, deliver, exchange, or distribute, or possess with intention to manufacture, sell, give away, barter, deliver exchange or distribute a control substance in violation of any local, state, or federal law.
7. **Parking.** Tenant at all times shall park any motor vehicles in the parking areas provided by the Olivia Regional Airport. In no case may the Tenant park on any portion of the taxi ways, hangar entrances, or runways of the airport as to interfere with aircraft maneuver and operation. Tenant is permitted to park Tenant's motor vehicle within the hangar at times that the Tenant is using the aircraft. This provision shall not be construed to permit long term storage of motor vehicles in the hangar facility, only temporary parking while the Tenant is using Tenant's aircraft. Tenant shall secure their aircraft appropriately to prevent unauthorized use or uncontrolled movement.
8. **Insurance and Liability.** The Lessor shall maintain insurance coverage in an amount as the Lessor desires for wind, fire, storm, and casualty upon hangar building, without contribution to the Tenant. The Tenant shall have the obligation of providing for all insurance coverage upon Tenant's own personal property, any

aircraft, equipment, or other property stored upon the premises. The Tenant shall also maintain liability insurance covering Tenant from any action and occurrence which is the Tenant's responsibility that occurs upon the premises. The Tenant hereby holds harmless the Lessor for any damages, costs, and expenses arising out of any intentional or negligent act causing damage to any person arising out of the conduct of the Tenant and/or Tenant's employees, agents, servants whatsoever. It is further agreed, that the Lessor will not be liable for any loss or damage to any person or property occurring on premises during the term of this lease and Tenant agrees to hold the City of Olivia harmless from any liability damage which might occur.

9. **Utilities.** Tenant agrees to pay all charges against the leased premises for electricity, sewer, gas and other utilities furnished to or assessed against the leased premises, if any, during the term of the Lease.

10. **Destruction of Premises.**

- a. It is further agreed between the Lessor and the Tenant that if, during the term of this lease, the leased premises or the improvements thereon shall be injured or destroyed by fire or the elements, or through any other cause, without any fault or neglect on the part of Tenant or of his servants or employees, so as to render the leased premises unfit for occupancy, or make it impossible to conduct the business of the Tenant thereon, or to such an extent that they cannot be repaired with reasonable diligence within sixty (60) days from the happening of such injury, then the Lessor may terminate this Lease and the term herein demised from the date of such damage or destruction, and the Tenant shall immediately surrender the leased premises and all interest therein to the Lessor, and the Tenant shall pay rent only to the time of such surrender, and in case of any such destruction or injury, the Lessor may re-enter and repossess the leased premises discharged of this lease, and may dispossess all parties then in possession thereof.
- b. If the leased premises can be restored within sixty (60) days from the happening of the injury thereto, and the Lessor within fifteen (15) days from the occurrence of such injury elects in writing to so repair or restore said premises within sixty (60) days from the happening of the injury thereto, then this lease shall not end or terminate on account of such injury by fire or otherwise. The rent shall not run or accrue after the injury and during the process of repairs. However, during such time the Tenant shall pay a pro rate portion of such rent apportioned to the portion of the leased premises, if any, which are in condition for occupancy or which may be actually occupied during such repairing period.
- c. If, however, the leased premises shall be so slightly injured by any cause aforesaid, as not to be rendered unfit for occupancy, then the Lessor shall repair the same with reasonable promptness, and in that case the rent shall not cease or be abated during such repair period. All improvements or betterments placed by Tenant on the leased premises shall, however, in any event, be repaired and replaced by the Tenant at his own expense and not at the expense of the Lessor.

11. **Default.** In the event of any such default hereunder, the Lessor shall have the right to cancel and terminate this Lease by giving to Tenant at least thirty (30) days notice of the cancellation and termination. On expiration of the time fixed in the notice, this Lease and all right, title and interest of Tenant hereunder shall terminate in the same manner and with the same force and effect as if the date fixed in the notice of cancellation and termination were the end of the term herein originally determined. Lessor shall have no obligation to pay any sums to Tenant for reimbursement for improvements or any other reason in the event of termination of the Lease pursuant to this Section. Lessor or its agent may at its option at any time after such default or violation of condition or covenant, re-enter working a forfeiture of the rents to be paid and the covenants to be kept by Tenant for the full term of this lease. Each of the following events shall constitute a default or breach of this Lease by Tenant:
- a. If Tenant, or any successor or assignee of Tenant while in possession, shall file a petition in bankruptcy or insolvency or for reorganization under any bankruptcy act, or involuntary proceedings under any bankruptcy law or insolvency act shall be instituted against Tenant, or if a receiver or trustee shall be appointed of all or substantially all of the property of the Tenant, or the Tenant shall make an assignment for the benefit of creditors;
  - b. If Tenant shall fail to perform or comply with any of the conditions of this Lease and such non-performance shall continue for a period of thirty (30) days after notice thereof by Lessor to Tenant;
  - c. If Tenant shall vacate or abandon the leased premises;
  - d. If this Lease or the estate of Tenant hereunder shall be transferred to or shall pass to any other party, except in the manner herein specifically permitted.
12. **Right of Entry.** Lessor or his designated agents shall at all reasonable times have the right to enter upon said leased premises to inspect their condition under normal circumstances and to make repairs.
13. **Governing Law.** This Lease shall be subject to and governed by the laws of the State of Minnesota and all questions concerning the meaning and interpretation of the terms of this Lease and concerning the validity hereof and performance hereunder shall be adjudged and resolved in accordance with the laws of said State.
14. **Amendment.** This Lease shall not be deemed or construed to have been modified, amended, rescinded, cancelled, or waived in full or in part, except by written instrument signed by Lessor and Tenant.
15. **Entire Agreement.** This Lease constitutes and expresses the entire agreement and understanding between the parties hereto in reference to all of the matters herein referred to, all previous discussions, promises, representations, understandings, or agreements relative thereto, whether oral or in writing, if any,

between the parties hereto, being herein merged. Any application made by the Tenant to obtain this Agreement shall be retained by the Lessor for the duration of this Agreement.

16. **Waivers.** The failure of Lessor to insist on a strict performance of any of the terms and conditions hereof shall be deemed a waiver of the rights or remedies that Lessor may have regarding that specific instance only, and shall not be deemed a waiver of any subsequent breach or default in any of the terms and conditions hereof.
17. **Assignment.** Tenant shall not assign its rights, title or interest under this Lease without the express written consent of Lessor, in which event this Lease may be binding upon and inures to the benefit of the Lessor, its successors and assigns and to the Tenant and any successors or assigns.
18. **Invalidity.** The invalidity or unenforceability of any particular provision of this Lease shall not affect the other provisions hereof and this Lease shall be construed in all respect as if such invalid or unenforceable provision were omitted.
19. **Rules of Construction.** Where appropriate, the masculine includes the feminine, the singular includes the plural, and vice versa.
20. **Notice.** Whenever notice must be provide by one party to the other party for any reason, notice shall be given in writing and delivered personally or by first class U.S. Mail to the address of the party listed herein. It shall be the duty of each party to inform the other party of any address changes.

IN WITNESS HEREOF, both parties have hereunto set their hands the day and year first above written.

CITY OF OLIVIA, LESSOR

TENANT

By: \_\_\_\_\_  
City Administrator/Clerk

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Address: 1009 West Lincoln Ave.  
Olivia, MN 56277

Address: \_\_\_\_\_

Phone: (320) 523-2361

Phone: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**City of Olivia, Minnesota  
Resolution 2013-33**

**A Resolution Authorizing Establishment of Airport T-Hangar Lease Process  
and Waiting List Policies & Procedures**

**Whereas,** In July 2011 the City of Olivia was hit by severe weather that included significant straight winds and possible tornados; and

**Whereas,** During that storm event the 6-bay T-hangar at the City's regional airport received significant damage which resulted in the building not being able to be safely occupied by aircraft; and

**Whereas,** Due to the inability to lease space at the damaged hangar the City ended all lease contracts with aircraft owners and provided refunds for rents paid on the remaining 6 months of the annual leases; and

**Whereas,** After considerable consultation with insurance and aircraft hangar experts, the City Council opted to have the damaged building tom down and authorized a new hangar of similar dimensions be built on the same site; and

**Whereas,** Nearly two years have transpired since any lease contracts have been in place for T-hangar rental; and

**Whereas,** The City's legal counsel has advised that in order to meet the requirements of Minnesota Statutes section 360.038 subd. 6, which provides in part that the City has the duty "To determine the charges or rental for the use of any properties under its control and the charges for any services or accommodations and the terms and conditions under which such properties may be used; provided that in all cases the public is not deprived of its rightful, equal, and uniform use of such property" the Council would need to establish a new lease process, which allows all interested individuals an equal opportunity to lease hangar space; and

**Whereas,** The City Attorney suggested that a possible method that could be used to both provide an equitable process for all interested parties and additionally help determine the fair market rate for monthly leases at the new facility would be to undertake a sealed bid process in conjunction with a minimum base rental rate; and

**Whereas,** The bid process would consist of seeking bids from all interested parties that met or exceeded the Council's minimum base rental rate, and the five highest bidders would be given the right of first refusal for the five available hangar slots available; their bids would be averaged together to determine the rental rate for all T-hangar bays; and

**Whereas,** If there were additional lease applicants who were not awarded a hangar space, then an initial waiting list would be established with the names of those applicants being placed in order of their bid prices, and after the establishment of such a list, any individuals expressing a desire to lease hangar space at the airport will be added to the list in the order their applications and deposits were received.

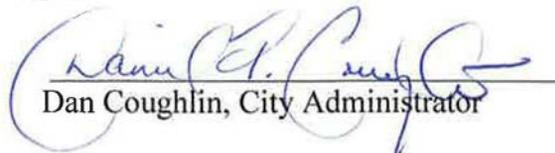
**Now, Therefore, Be It Resolved,** the City Council hereby establishes the following process by which the initial occupants of the newly-constructed Olivia Regional Airport T-Hangars will be determined along with the process by which an initial rental waiting list will be established:

1. The Airport Manager shall be granted an option to lease one T-hangar stall in the newly constructed building without need of providing an application or related deposit. The Manager will pay the standard rental rate on the stall equal to that of all other hangar occupants. In the event the Manager opts not to lease a hangar stall, it will be offered for lease according to the process listed below.
2. The City Attorney in cooperation with City staff will establish a T-hangar lease application form and communicate to residents, and other interested parties that a 3-week application and bid process will be conducted in order to lease the available T-hangar bays. An application and damage deposit of \$100 will be incorporated as part of the application process. Submitted bids must be for at least the minimum bid rate of \$135 to be considered.
3. On a publicly advertised date, time, and location the bid documents timely received will be opened and a determination of the top bidders will be made. In the event that two or more qualifying bids are offering the same price, lots shall be cast or a coin-toss made to determine the order of standing for those bids.
4. The highest number of bidders equal to the number of available hangar stalls shall be granted first right to lease a hangar. The average of all top bids will be established as the lease rate for all T-hangar occupants.
5. In the event that a bidder opts not to accept the offer of a hangar lease, the next highest bidder will be offered the opportunity to lease a stall. Formal lease contracts will be required of all individuals seeking to rent hangar stalls. The lease contract shall be subject to City Council approval.
6. Of any remaining applicants who did not secure an initial offer to lease hangar space, they would be placed on a waiting list in order of their offered bid prices. In the event that two or more waiting list bidders provided the same bid prices, lots shall be cast or coin-toss made to determine the standing for those bids.
7. In order to retain their position on the waiting list, applicants must keep their deposit on account with the City. At any time an applicant can request a refund of their deposit however they would give up their placement on the waiting list in the process.
8. After this initial process, any future individuals seeking to be added to the hangar lease waiting list will be required to fill out an application along with the required \$100 deposit. Those individuals would be added to the bottom of the waiting list in the order they were received.
9. After the initial process to determine the lease rates for the new T-hangar, the Council will annually review the rates and adjust them if they deem changes to be warranted.

**Adoption by the City Council of the City of Olivia this 1st day of July, 2013.**

  
Suzanne M. Hilgert, Mayor

ATTEST:

  
Dan Coughlin, City Administrator