

**KERRVILLE-KERR COUNTY MUNICIPAL AIRPORT
STORAGE FACILITY AT T-HANGAR LEASE AGREEMENT**

This **Storage Facility-Lease Agreement** (the "Agreement") is entered into by and between the City of Kerrville, a Texas home-rule municipality (the "City"), for itself and on behalf of the County of Kerr, a subdivision of the State of Texas (the "County), and _____(the "Lessee"). City and County shall be collectively referred to herein as the "Lessor." The Lessor is the owner of the Kerrville/Kerr Municipal Airport ("Airport"), situated in Kerr County, Texas.

NOW THEREFORE, in consideration of the mutual covenants and agreements provided herein, the Lessor and Lessee agree as follows:

ARTICLE I – TERM

Check
Applicable
Paragraph

The term of this Agreement shall be for a period of ONE MONTH, commencing on the ___day of _____, 200_, and continuing on a month-to-month basis thereafter on the same terms and conditions as provided herein unless either party shall give thirty (30) days written notice of termination or, unless terminated in accordance with the provisions of this Agreement.

[or]

The term of this Agreement shall commence on _____, **201**, and shall extend for a period of 1 year(s), unless terminated earlier in accordance with the provisions of this Agreement. If Lessee holds over or remains in possession of the Premises after the termination of this Agreement in the absence of a new lease agreement between the Lessor and Lessee, such continuation beyond the date of termination, or the collection or acceptance of rent or other charges by the Lessor, shall not be construed as a renewal or extension of this Agreement, but shall be construed solely as creating a tenancy-at-will and not for any other term whatsoever. During the term of such tenancy-at-will, Lessee shall pay to Lessor the payments herein reserved, and Lessee shall be bound by and comply with all the relevant provisions of this Agreement. The Lessor may terminate the tenancy-at-will by giving Lessee thirty (30) days written notice thereof.

ARTICLE II – PREMISES

2.01 Description of Premises. Lessor hereby leases to Lessee Storage Facility ____ (the "Premises") located at the east end of T-hangar building **B** at the Airport. Lessor shall provide Lessee with access to the Premises and taxiways, to access facility, as needed. Lessee may

modify facility to access hangar B1 so long as lessee returns facility to original state upon vacating.

2.02 Use of Premises. Lessee agrees and acknowledges that the Premises are being leased for the sole purpose of storing aircraft related equipment and machinery associated with aviation activities, together with such items or equipment reasonably necessary to keep the Premises or the Aircraft clean, or to perform preventative aircraft maintenance. Lessee agrees that the equipment/property to be stored shall not be so large as to preclude the closing of the storage facility doors. Lessee further agrees that no modifications will be made to the facility without written approval and that any authorized facility modifications will be returned to existing condition upon terminating this lease agreement.

2.03 Securing the Premises. Lessee shall have full responsibility to and shall furnish any equipment necessary to properly secure the Premises and Facility.

Article III – Conditions and Use

3.01 Compliance with Laws. Lessee shall commit no kind of waste and shall take good and reasonable care of the Premises, and shall in the use and occupancy of the Premises, adhere to federal, state, and local laws and regulations. Lessee hereby acknowledges receipt of a copy of the Kerrville/Kerr County Airport Rules, Regulations, and Minimum Standards (the “Rules”), as adopted by City Ordinance No. 97-06 and County Order No. 24003. Such Rules are specifically incorporated herein by reference. Lessee acknowledges and agrees to be bound by and comply with the Rules, as these now exist or may be amended, during the term of this Agreement. Should any conflict arise between this Agreement and the Rules, such conflict shall be resolved in favor of the Rules.

3.02 Alterations. Lessee shall not make any changes or alterations to the Premises unless upon written consent of Lessor. Where consent is granted, all changes and alterations shall be made at the expense of Lessee and, upon the expiration of this Agreement, shall become the property of the Lessor.

3.03 Commercial and Non-aviation Activities. Lessee shall not conduct or allow any commercial activity such as pilot instruction, aerial spraying, charter flight, air taxi, sightseeing, skydiving, aerial photography, aircraft engine or airframe repair, avionics repair, or any other commercial activity within the Premises or at the Airport without the prior written consent of the Lessor. Lessee shall not operate any non-aviation related business or activity within the Premises or Airport without the prior written consent of the Lessor. Any approved commercial operation or non-aviation related business must be in accordance with a separate contract agreement with the Lessor.

3.04 Motor Vehicles and Parking. Only properly licensed drivers shall drive vehicles to and from and within the T-Hangar/Storage facility area. Short-term vehicle parking is allowed within the Premises only while the aircraft is in use. Vehicles may be parked on the pavement

adjacent to the Premises only when the Lessee is present, provided taxiway access is not blocked. Vehicles shall not be left unattended outside the Premises at any time.

3.05 Breach. Lessee agrees that the failure of Lessee, his/her agents, employees, invitees, or servants to comply with any provision of this Article shall result in a material breach of this Agreement and shall permit Lessor to pursue remedies as set forth in this Agreement, in addition to all other rights and remedies provided by law, to which the Lessor may resort cumulatively, or in the alternative.

ARTICLE IV – RENTAL AND FEES

4.01 Rentals. For the privileges and rights granted herein, Lessee shall pay the Lessor **\$55.00** per Month in advance on or before the first day of each month throughout the term of this Agreement. In the event that the commencement or expiration date of this Agreement falls on any date other than the first or last day of a calendar month, the applicable rental for that month shall be pro-rated on a daily basis.

4.02 Delinquent Rentals. In the event that payments to the Lessor for rent are not received by the Lessor on or before the tenth day following the due date, Lessee shall pay a late rental charge of Two Percent (2.0%) of the rent amount due for that month. All rent which is past due more than thirty (30) days shall accrue simple interest at the rate of eighteen percent (18.0%) annually or (b) the maximum percentage rate allowed by law, whichever is less. Notwithstanding anything to the contrary in this section, if at the time for performance of the provisions set forth in this section become due and the interest to be paid in accordance with this section exceeds the limits on the payment of interest established by law, then the amount of interest to be paid shall be reduced to the maximum limit allowed by law; furthermore, if, from any circumstances, Lessor should ever receive as interest an amount that would exceed the highest lawful rate, the amount that would be excessive interest shall be applied to the payment of rent owing pursuant to the provisions of this Agreement and not to the payment of interest.

4.03 CONTRACTUAL LESSOR'S LIEN. LESSEE AGREES THAT LESSOR SHALL HAVE A CONTRACTUAL LIEN FOR UNPAID RENT THAT IS DUE, AND THAT THIS LIEN SHALL ATTACH TO ALL PROPERTY THAT IS STORED ON THE PREMISES. THIS CONTRACTUAL LIEN IS IN ADDITION TO ANY STATUTORY LIEN AUTHORIZED BY LAW. IF LESSEE DEFAULTS UNDER THIS AGREEMENT, LESSOR SHALL HAVE A LIEN UPON ALL GOODS, CHATTELS, AND/OR PERSONAL PROPERTY OF ANY DESCRIPTION BELONGING TO LESSEE THAT IS PLACED IN OR BECOMES A PART OF THE PREMISES, AS SECURITY FOR RENT DUE AND TO BECOME DUE FOR THE REMAINDER OF THE TERM. LESSEE GRANTS LESSOR A SECURITY INTEREST IN ALL SUCH NONEXEMPT PERSONAL PROPERTY PLACED IN OR ON THE PREMISES. IF LESSOR EXERCISES ITS OPTION TO TERMINATE THE LEASEHOLD AS THE AGREEMENT PROVIDES, THE LESSOR, AFTER GIVING THE LESSEE REASONABLE NOTICE, MAY TAKE POSSESSION OF ALL OF LESSEE'S PROPERTY ON THE PREMISES AND SELL IT AT PUBLIC SALE IN ACCORDANCE

WITH CHAPTER 59, SUBCHAPTER C, OF THE TEXAS PROPERTY CODE. THE SALE PROCEEDS SHALL BE APPLIED TO THE NECESSARY AND PROPER EXPENSES OF THE SALE, THEN TO PAYING THE AMOUNT OF THE LIEN, WITH THE BALANCE, IF ANY, TO BE PAID TO THE LESSEE.

4.04 Security Deposit. At or before the execution of this Agreement, Lessee shall pay to Lessor a security deposit in the amount of \$55.00. Lessor may use as much of the deposit as necessary to pay for any damages resulting from Lessee's occupancy of the Premises, normal wear and tear excepted. Within thirty (30) days of the termination of this Agreement, Lessor shall return the balance of the deposit to Lessee, minus any amount subtracted for damages.

4.05 Place of Payment. All rent and other fees provided for herein shall be paid to Lessor at the following address: Office of the Airport Manager, City of Kerrville, Texas, 1877 Airport Loop, Kerrville, Texas 78028, or at such other address as may be directed in writing by Lessor.

ARTICLE V – MAINTENANCE AND REPAIRS

5.01 Lessee's Responsibilities. Lessee shall maintain the Premises in a clean, neat, and sanitary condition, free of dirt, trash, refuse, scrap parts, and debris. Lessee shall, at its expense, provide for the removal and disposal of any such items. Lessee shall promptly report to Lessor any defects in the Premises requiring maintenance. Lessee shall be liable for all costs of repairs to the Premises, which have been as a result of and/or caused by Lessee's use.

5.02 Fueling. Lessee shall not conduct within the Premises any fueling or de-fueling of any equipment.

5.03 Storage, Use, and Disposal of Hazardous Materials. With the exception of fuel within the equipment, Lessee shall not store or permit the storage of any fuel, hazardous, volatile, and/or dangerous chemicals or substances within the Premises or Airport. The Lessee and its employees, agents, and invitees shall abide by all applicable laws and regulations of the United States Environmental Protection Agency, the Texas Natural Resources Conservation Commission, or their respective successors agencies, and any other governmental agency regarding the handling, discharge, release, and dumping of hazardous materials. Lessee shall indemnify, defend and hold harmless the Lessor for any violation of environmental law resulting from the use of the Premises by Lessee, or Lessee's family, guests, invitees, contractors, or agents, and shall immediately notify the Lessor of any correspondence received from regulatory agencies concerning such matters. Lessee shall not conduct or allow to be conducted any hazardous activities on the Premises, including, but not limited to, welding, painting, or doping.

5.04 Fire Extinguisher. Lessee shall have a sufficient number of fire extinguishers of acceptable size as determined by the Kerrville Fire Marshall within the Premises. Such fire extinguisher(s) shall be readily accessible in the event of a fire.

5.05 DISCLAIMER OF WARRANTY. LESSOR EXPRESSLY DISCLAIMS ANY WARRANTY OF SUITABILITY THAT MAY OTHERWISE ARISE BY OPERATION OF LAW. LESSOR DOES NOT WARRANT THAT THERE ARE NO LATENT DEFECTS IN THE PREMISES FOR THE LESSEE'S INTENDED PURPOSE AND THAT THE ESSENTIAL FACILITIES WILL REMAIN IN SUITABLE CONDITION. LESSEE AGREES THAT IT IS ACCEPTING THE PREMISES "AS IS."

ARTICLE VI – ASSIGNMENT, TRANSFER, AND SUBLETTING

Lessee shall not sell, assign, sublet, or transfer any rights or privileges granted by this Agreement without the prior written approval of the Lessor. The Lessor shall have the exclusive option to grant or refuse such approval.

ARTICLE VII – TERMINATION

This Agreement shall be subject to immediate termination by the Lessor where Lessee:

1. is in arrears in the payment of or part of the rental payment for a period of three (3) days after Lessee is notified that payment was not received when due;
2. is in default in the performance of any covenants, conditions, or agreements required herein to be kept and performed by Lessee;
3. has made any general assignment for the benefit of creditors; or
4. has sold, assigned, sublet, or transferred any rights or privileges of this Agreement without the prior written approval of the Airport Manager as required by Article VI of this Agreement.

In any of the aforesaid events, the Lessor may terminate this Agreement immediately and take immediate possession of the Premises, including any and all improvements therein, and remove Lessee's effects, forcibly if necessary, without being deemed guilty of trespassing. However, any failure of the Lessor to terminate this Agreement immediately upon the default of Lessee for any of the reasons set out above shall not operate to bar or destroy the right of the Lessor to terminate this Agreement by reason of any subsequent violation of the terms herein.

The receipt or acceptance of money by the Lessor from the Lessee after the termination of this Agreement or after the service of any notice, after the commencement of any suit, or after final judgment for possession of the Premises shall not reinstate, continue, or extend the terms of this Agreement, or affect any such notice, demand, or suit, or employ consent for any action for which the Lessor's consent is required or operate as a waiver of any right of the Lessor to retake and resume possession of the Premises.

ARTICLE VIII – SURRENDER OF POSSESSION

Upon the expiration or termination of this Agreement, the Lessee's rights, privileges, and use of the Premises shall cease and the Lessee shall immediately surrender the same. The Lessee shall restore the Premises to its original condition as of the beginning of occupancy, ordinary wear and tear excepted.

ARTICLE IX – INSURANCE AND INDEMNITY

9.01 **Indemnification.** **Lessee shall indemnify and hold harmless the Lessor, and their respective officers, agents, and employees against any and all claims, demands, damages, costs, and expenses, including, but not limited to, investigative expenses and reasonable attorney's fees for the defense of such claims and demands, arising out of or attributed directly or indirectly to the use of the Premises and any other area in the Airport by Lessee, or from any breach on the part of the Lessee of any term of this Agreement, or from any act of negligence of the Lessee, his/her family members, agents, employees, contractors, or invitees, in or about the Premises or other areas of the Airport. In case of any action or proceeding brought against the Lessor by reason of such claim, Lessee, upon notice from the Lessor, agrees to defend the action or proceeding by counsel acceptable to the Lessor.**

9.03 **Release.** Lessee shall store its property in, and shall occupy and use the Premises and all other portions of the Airport at its own risk. Lessee releases Lessor, to the full extent permitted by law, from all claims of every kind resulting in loss of life, personal or bodily injury, or property damage, including those caused by the negligence of the Lessor, its officers, agents, and employees.

9.04 **Lessee's Personal Property Coverage.** Lessee understands, acknowledges, and agrees that Lessor does not provide, and shall not be required to provide, insurance to cover the loss of personal property located within the Premises.

ARTICLE X – GENERAL PROVISIONS

10.01 **Liability for Property Damage.** Lessor shall not be liable for damage or loss to aircraft or other personal property on the Premises. Lessee agrees that personal property is stored at Lessee's sole risk.

10.02 **Venue.** Venue shall be in the courts of Kerr County, Texas. The laws of the State of Texas shall govern the validity, interpretation, performance, and enforcement of this Agreement.

10.03 **Attorney's Fees.** If either party brings any action or proceedings to enforce, protect, or establish any right or remedy under the terms and conditions of this Agreement, the prevailing party shall be entitled to recover reasonable attorney's fees, as determined by a court of competent jurisdiction, in addition to any other relief awarded.

10.04 Compliance with Laws and Nondiscrimination Assurance. Lessor reserves the right to operate the Airport in accordance with, and this Agreement is subordinate to, the Lessor's obligations to the federal or state government under any agreements with such. It is specifically acknowledged and agreed that nothing contained in this Agreement shall be construed as granting or authorizing an exclusive right for exercising any activity which is illegally discriminatory, and Lessee specifically agrees to conduct itself and its activities in a nondiscriminatory manner. Lessee, his/her agents, and employees shall not discriminate in any manner prohibited by the Federal Aviation Administration or the Texas Department of Transportation Regulations. Lessee further agrees to comply with any enforcement procedures as might be required by the United States of America or the State of Texas. This Agreement shall be subject to and in conformance with all federal, state, and local laws and regulations.

10.05 Notices. All notices to be given under this Agreement shall be hand-delivered or sent by certified or registered mail, return receipt requested, postage prepaid, and addressed to the parties at the following addresses:

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Airport Manager
Kerrville/Kerr County Municipal Airport
1877 Airport Loop
Kerrville, Texas 78028

LESSEE: _____

10.06 Updating Information. Lessee shall notify the Airport Manager, in writing, within ten (10) days of any change in the information furnished in this Agreement.

10.07 Inspection and Repairs of Premises. Lessor and or its representatives shall have the right, at any time, to inspect the Premises for any purpose or to make repairs or alterations.

10.08 Entire Agreement. This Agreement contains all of the agreements and conditions made between the parties hereto and may not be modified orally or in any manner other than by written agreement signed by the parties hereto.

10.09 Severability. If any part, provision, term, condition, obligation or portion of this Agreement is found to be illegal or void by a court of competent jurisdiction, the entire Agreement shall not be void, but the void provision shall be struck and the remainder of this

Agreement shall continue in full force and effect as nearly as possible in accordance with the original intent of the parties.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be legally executed in duplicate this ____ day of _____, 201_.

LESSOR:

LESSEE:

JOINT AIRPORT BOARD
CITY OF KERRVILLE, COUNTY OF
KERR, TEXAS

By: _____
Bruce McKenzie, Airport Manager

By: _____

ATTEST:

Carole Dungan Executive Assistant

CITY OF KERRVILLE/KERR COUNTY AIRPORT T-HANGAR STORAGE FACILITY

FEE SCHEDULE

The following fee schedule is for T-Hangar storage facility rental agreements signed and effective between October 1, 2001 and September 30, 2006.

Standard T-Hangar \$55.00 per month agreement Storage Facility

Standard T-Hangar \$660.00 per year agreement Storage Facility

Security Deposit \$55.00 per unit