



# City of Grand Island

Tuesday, March 28, 2006

Council Session

## Item G14

**#2006-97 - Approving Lease Agreement for Jackrabbit Run Golf Course with Hall County Regional Airport Authority**

Staff Contact: Steve Paustian

# **Council Agenda Memo**

**From:** Steve Paustian, Parks and Recreation Director  
**Meeting:** March 28, 2006  
**Subject:** Golf Course Lease  
**Item #'s:** G-14  
**Presenter(s):** Steve Paustian, Parks and Recreation Director

## **Background**

The City has leased land from the Hall County Airport Authority for use as a Municipal Golf Course for the past thirty years. Two fifteen year contracts have been implemented to facilitate this use. The second fifteen year contract is set to expire on April 30, 2006.

## **Discussion**

The City has negotiated a new lease to continue the operation of the Municipal Golf Course at its current location. Several changes are incorporated into this new lease. The primary differences include a twenty year instead of fifteen year duration, a fee schedule that includes a 3% annual escalation clause (see exhibit B) and the ability to shut down the golf course, if necessary to facilitate air shows.

## **Alternatives**

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Move to approve
2. Refer the issue to a Committee
3. Postpone the issue to future date
4. Take no action on the issue

## **Recommendation**

City Administration recommends that the Council accept the terms of the proposed lease and authorize the Mayor to sign the agreement.

## **Sample Motion**

Motion to approve new golf course lease with the Hall County Airport Authority.

**HALL COUNTY AIRPORT AUTHORITY**

**and**

**THE CITY OF GRAND ISLAND, NEBRASKA**

**GOLF COURSE LEASE AGREEMENT**

**THIS LEASE AGREEMENT**, entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2006, by and between the Hall County Airport Authority, Grand Island, Nebraska, ("Authority") and The City of Grand Island, Nebraska("City").

WITNESSETH:

In consideration of the lease of real property, covenants and agreements as set forth herein, the parties agree as follows:

**ARTICLE I.**

**PREMISES**

The Authority, in furtherance of its statutory duty to generate revenue to support airport operations and in furtherance of its public purpose to provide funding for aviation service for Central Nebraska, hereby leases to City for its exclusive use, and for no other use except as agreed to by the Authority under provisions set forth herein, a tract of land including building and other improvements described as set forth on attached Exhibit "A" consisting of 174.46 acres more or less (the "leased premises").

**ARTICLE II.**

**OBJECTIVES AND PURPOSE OF LEASE**

**Subsection 2.01 Use of leased Premises.**

1. The City shall use the leased premises as a public golf course and uses incidental thereto.

**Subsection 2.02 Prohibited Uses.**

1. The City may not use any part of the leased premises or the improvements located thereon for any activity or purpose other than as set forth in Section 2.01, unless such use is approved in

writing by the Authority.

2. The City may not enter the aviation portions of the airport unless City demonstrates an operational need and Authority approves such access.

### **ARTICLE III.**

#### **TERM AND COMPENSATION**

##### **Subsection 3.01 Initial Term.**

The term of this lease shall be for a period of twenty (20) years, effective May 1, 2006, and terminating April 30, 2026 without further notice unless extended by agreement of the parties.

##### **Subsection 3.02 Building & Ground Site Rent.**

The City agrees to pay Authority as rent for the leased premises the sum of FIFTEEN THOUSAND SEVEN HUNDRED ONE DOLLARS and FORTY CENTS (\$15,701.40) for the lease year commencing May 1, 2006 which is payable on or before May 1, 2006. In order to assure Authority compliance with Department of Transportation Airport Compliance Order 5190.6A (dated October 2, 1989), effective May 1, 2007 annual rent shall increase by three percent (3%) and as of May 1 of each year thereafter annual rent shall increase an additional three percent (3%) in excess of annual rent for the immediately preceding year all in accordance with the Rent Schedule attached as Exhibit "B". Rent shall be due and payable in advance on or before May 1 of each lease year.

##### **Subsection 3.03 Assignment/Subletting.**

This Agreement may not be assigned or sublet without Authority approval as detailed in Article XII.

### **ARTICLE IV.**

#### **CITY'S FUTURE CONSTRUCTION REQUIREMENTS**

##### **Subsection 4.01 Acceptance of Leased Premises.**

The City accepts the leased premises in its current condition "**AS – IS, WHERE – IS**" **WITHOUT WARRANTY OF ANY NATURE AS TO THE CONDITION OF THE LEASED PREMISES** based upon the City's knowledge of the leased premises as a long term tenant in possession of the leased premises. The City may, at its sole expense, make improvements or alterations to the leased premises, as provided in this Article IV. Such improvements to existing buildings, future buildings, structures, fencing, roadways, utility lines, and additions are to be in furtherance of the purposes set forth in Article II. Provided, however, that no building, structure, fencing, roadway, utility lines, addition or improvement of any nature shall be made or installed by the City without the prior

written consent of the Authority as herein provided.

**Subsection 4.02 Approval of Future Construction Plans.**

The City covenants and agrees that it shall submit plans showing the general site plan, design and character of any building or structural improvements and their locations, including drainage and roadways to the Authority for approval. Authority agrees to consider such plans within 30 days of receipt from the City. All construction will be in accordance with such plans and specifications and the Airport Master Plan. The City agrees to complete and submit Federal Aviation Administration Form 7460-1, Notice of Proposed Construction, or Alteration, through the Airport Director's Office, and receive favorable determination prior to any commencement of any construction or alterations, as required by part 77 of the Federal Aviation Regulations.

**Subsection 4.03 As-Built Drawings.**

Within ninety (90) days following completion of any future construction, the City shall present to the Authority a complete set of "as-built" drawings including, but not limited to, architectural renderings, specifications, plumbing and electrical plans, as applicable.

**Subsection 4.04 Ownership of Improvements.**

At expiration of the lease term and all extensions or renewals, any building, fixture, structure, addition or improvement, excluding personal property as defined in Article XI, Subsection 11.02, on the Leased Premises, shall immediately become the property of the Authority, as owner.

**ARTICLE V.**

**OBLIGATION OF CITY**

**Subsection 5.01 Net Lease**

1. The use and occupancy of the leased premises by the City shall be without any cost or expense to the Authority. It shall be the sole responsibility of the City to operate the entirety of the leased premises and all maintenance and repairs to the improvements and facilities thereon at the City's sole cost and expense.

2. The City at all times shall keep in a clean and orderly condition and appearance all of the Leased Premises and all of the City's fixtures, equipment, and personal property which are located thereon. The City shall perform mowing and snow removal from the Leased Premises. The City shall not commit or suffer to be committed any nuisance on the Leased premises. Except in storage tanks and in the manner approved by the appropriate governmental authorities, City shall not store any gasoline or other fuel or materials likely to give off fumes or gases or any material likely to constitute a fire, safety or security hazard on the leased premises.

**Subsection 5.02 Utilities.**

The City shall assume and pay for all costs or charges for all utilities to the leased premises during the term hereof including all service, connection fees, construction, repairs, inspections and maintenance.

**Subsection 5.03 Trash, Garbage, Etc.**

The City shall pick up, and provide for, a complete and proper arrangement for the adequate sanitary handling and disposal, away from the Airport, of all trash, garbage, hazardous materials and other refuse caused as a result of its operations. The City shall provide and use suitable receptacles for all such garbage, trash, and other refuse. The storage of boxes, cartons, barrels, pallets, debris, inoperative vehicles and equipment, or similar items in an unattractive or unsafe manner, on or about the leased premises, shall not be permitted.

**Subsection 5.04 Nondiscrimination.**

The City, for itself, its successors in interest, and assigns, as part of the consideration hereof, does hereby covenant and agree that (a) no person on the grounds of race, color, national origin or other illegal discriminatory classification shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of the leased premises; (b) that in the construction of any improvements on, over, or under such land and the furnishing of services thereof, no persons on the grounds of race, color or national origin or other illegal discriminatory classification shall be excluded from participation in, denied the benefits of or otherwise be subjected to discrimination; (c) that the City shall use the leased premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-assisted programs of the Department of Transportation, Effectuation of Title VI of the Civil Rights Act of 1964, and said Regulations may be amended, to the extent that said requirements are applicable, as a matter of law, to the City. With respect to the leased premises, the City agrees to furnish services on a fair, equal and not unjustly discriminatory basis to all users thereof.

**Subsection 5.05 Observance of Statutes, etc.**

At City's cost, the City shall observe and comply with any and all requirements of all Federal, State or local statutes, ordinances, regulations and standards applicable to the City for its use of the leased premises.

**Subsection 5.06 Hazard Lights**

The City shall, at its expense, provide and maintain hazard lights on any current or future structure erected by the City on the leased premises, if required by the Authority and FAA regulations. Any hazard lights so required shall comply with the specifications and standards established for such installations by the FAA.

**Subsection 5.07 Airport Security.**

The City recognizes the Authority's required compliance with Federal Aviation Regulations concerning airport security and the City agrees to comply in its use of the leased premises, as applicable.

**Subsection 5.08 Minimum Standards.**

The City acknowledges receipt of a copy of the Authority's Minimum Standards and Rules and Regulations ("Standards") previously approved by Authority. The Standards as adopted, and as may hereafter be amended or revised by Authority from time to time during the term of this Lease, are incorporated as part of the terms and conditions of this lease agreement as if fully set forth herein.

**ARTICLE VI.**

**OBLIGATIONS OF THE AUTHORITY**

**Subsection 6.01 Ingress and Egress.**

Upon paying the rent and performing the covenants of this agreement, the City shall have the right of ingress to, and egress from, the leased premises for the City, its officers, employees, agents, servants, customers, vendors, suppliers, patrons, and invitees over the roadways serving the area of the leased premises.

**ARTICLE VII.**

**AUTHORITY'S RESERVATIONS**

**Subsection 7.01 Improvement, Relocation or Removal of Structure.**

1. The Authority, at its sole discretion, reserves the right to further develop or improve the aircraft operating area and other portions of the airport for aviation related use, including the leased premises. The Authority retains the right to take any action it considers necessary to protect the aerial approaches of the airport against obstructions, together with the right to prevent the City from erecting any buildings or other structures on the airport which, in the opinion of the Authority would limit the usefulness of the Airport or constitute a hazard to aircraft.

2. It is not anticipated that Authority will require the leased premises for aviation related use during the lease term; **HOWEVER**, in the event the Authority needs the leased premises or any part thereof for expansion, improvements, development of the airport for aviation purposes, the Authority reserves the right, on one (1) year advance written notice to City to terminate this lease for the leased premises or any part thereof. If part of the leased premises is taken for aviation use by Authority, rent shall be adjusted in accordance with a prorated calculation of lost square footage of the leased

premises or the City may terminate the lease without penalty if the remaining part of the leased premises is insufficient to maintain and operate a public golf course. If all of the leased premises are taken by Authority, the lease shall terminate without penalty or further liability for rent.

3. It may be necessary or advisable to widen Shady Bend Road during the lease term in order to improve access to the airport or improve access to the anticipated National Guard Facility. Accordingly, upon at least sixty (60) days prior written notice to the City, Authority may, at Authority's expense, relocate fences, utilities and other improvements adjacent to Shady Bend Road up to a distance of twenty (20) feet in a westerly direction. In such event, the City agrees to execute any necessary plats, consents and documents as may be necessary or appropriate to accomplish the widening of Shady Bend Road. If part of the leased premises is taken for the widening of Shady Bend, rent shall be adjusted in accordance with a prorated calculation of lost square footage of the leased premises

**Subsection 7.02 Inspection of Leased Premises.**

The Authority, through its duly authorized agent, shall have at any reasonable time with prior notice, the full and unrestricted right to enter the leased premises for the purpose of periodic inspection and to investigate compliance with the terms of this agreement. In event of emergency, Authority's authorized agents and representatives and authorized security personnel may enter the leased premises at any time with notice to the City as soon as practical.

**ARTICLE VIII.**

**INDEMNITY AND INSURANCE**

**Subsection 8.01 Indemnification.**

1. The City agrees to indemnify, save, hold harmless, and defend the Authority, its board, officers, agents and employees, its successors and assigns, individually or collectively, from and against all liability for any claims and actions and all reasonable expenses incidental to the investigation and defense thereof, in any way arising out of or resulting from any acts, omissions or negligence of the City, its agents, employees, licensees, successors and assigns, or those under its control; in, on or about the leased premises; provided, however, that the City shall not be liable for any injury, damage, or loss occasioned by the negligence of willful misconduct of the Authority, its agents or employees. When City or Authority has knowledge of any adverse claim, it shall give prompt written notice to the other party.

2. The City shall indemnify, save, hold harmless and defend the Authority, its board, officers, agents and employees, its successors and assigns, individually or collectively, from and against all liability for any claims and actions and all expenses incidental to the investigation and defense thereof, in any way arising from or based upon the violation of any federal, state or municipal laws, statutes, ordinances, or regulations by the City's agents, employees, licensees, successors and assigns, or those under its control. The City shall not be liable for any claims and actions and expenses incidental to the investigation and defense thereof, in any way arising from or based upon violation of any federal, state



or municipal laws, statutes, ordinances, or regulations by the Authority, its agents, employees, licensees, successors and assigns, or those under its control.

### **Subsection 8.02 Liability Insurance.**

1. Without limiting the City's obligation to indemnify the Authority, the City shall provide, pay for, and maintain in force at all times during the term of this Agreement a policy of comprehensive general liability insurance to protect against bodily injury liability and property damage in an aggregate amount of not less than ONE MILLION DOLLARS (\$1,000,000.00) for any person for any number of claims arising out of a single occurrence and FIVE MILLION DOLLARS (\$5,000,000.00) for all claims arising out of a single occurrence; statutory workmen's compensation insurance; and any other policies of insurance reasonably required by the Authority.

2. The aforesaid insurance amounts and types of insurance shall be reviewed from time to time by the Authority and may be adjusted by the Authority if the Authority reasonably determines such adjustments are necessary to protect the Authority's interests. The City shall furnish the Authority, as evidence that such insurance is in force, a certified copy of the insurance certificate including the Authority as additional insured within 30 days after the policy(s) is issued. Said policies shall provide for thirty (30) days written notice to the Authority prior to the cancellation of or any material change in such policies.

### **8.03 Fire and Extended Coverage Insurance.**

The City shall procure and keep in force at all times during the term of this agreement replacement value insurance on the buildings on the leased premises against loss and damage by fire, casualty and extended coverage perils. The City shall provide a certificate of insurance prior to commencement of the lease and annually thereafter. The City shall be responsible for insuring its personal property and equipment as it deems appropriate.

### **8.04 Damage to Premises.**

If the leased premises or any fixed improvements on the leased premises shall be partially or totally destroyed or damaged, the lease shall continue in full force and effect.

### **8.05 Waiver of Subrogation.**

It is agreed that if the leased premises shall be destroyed in whole or in part by any cause or causes covered by standard fire and extended coverage insurance forms, the City shall not be liable for or responsible to Authority or any insurer or insurers of Authority and the Authority shall not be liable for or responsible to City or any insurer or insurers of the City for and in respect to any such damage or destruction, and Authority hereby specifically waives any and all rights of subrogation which its insurer or insurers may have against City for such losses, damages or destruction, and the City hereby specifically waives any and all right of subrogation which its insurer or insurers may have against the Authority for such losses, damages or destruction, all notwithstanding the fact that the same is caused in whole or

in part by the neglect of City or any of City's officers, agents, employees, invitees or otherwise or by the neglect or negligence of Authority or any of Authority's officers, agents, employees, invitees or otherwise.

#### **8.06 Environmental Impairment.**

The City agrees to comply with all local, state and federal environmental regulations and statutes affecting its operations throughout the term of the lease. The City shall not cause any additional storage tanks to be installed on the Authority property without prior approval of the Authority. Existing storage tanks are not effected by this Lease.

The use, storage and disposal of any fertilizers, herbicides, fungicides, pesticides, petroleum products and any other regulated hazardous chemicals or materials, and disposal of containers thereof, shall be made by the City in such a manner as to specifically prevent any spilling, leaking, emitting, discharging, escaping, leaching or disposing and undue accumulation of any such products causing any contamination of the soil, ground water, surface water, sanitary sewer systems, storm water system or subsurface soils. If applicable, City shall prepare, provide to Authority and comply with a Spill Prevention Control and Countermeasure (SPCC) Plan and such other plans as may be required as a result of City's use of the leased premises.

In the event that there are violations of any of the requirements set forth in this paragraph during the term of this Lease, the City shall be responsible for cleanup of the contaminated area, at City's expense, including the payment of any and all fines or other penalties, regardless of the time frame that may be required by any authorities supervising the elimination of the contamination, even though such is required beyond the term of this lease. Any violation, spill, or discharge shall be **IMMEDIATELY** reported to Authority's Executive Director.

### **ARTICLE IX.**

#### **CANCELLATION BY THE AUTHORITY**

##### **Subsection 9.01 Events of Default by City.**

Each of the following events shall constitute an "Event of Default by City":

1. The City fails to pay rent, fees or charges when due, and such default continues for a period of thirty (30) days after receipt of written notice of default from the Authority.
2. The City fails, after receipt of written notice from the Authority, to keep, perform or observe any term, covenant or condition of this Agreement, and such failure continues for sixty (60) days after such receipt.

## **Subsection 9.02 Remedies for City's Default.**

Upon the occurrence of an Event of Default by the City:

The City shall remain liable to the Authority for all arrearages of rent, fees and charges payable hereunder and for all preceding breaches of any covenant herein contained. The Authority shall have the right of re-entry and may remove all operations, persons and property from the leased premises as provided by law.

2. Should the Authority elect to re-enter, as herein provided, or should it take possession pursuant to legal proceedings or pursuant to any notice provided by law, it may, at any time, subsequent to an Event of Default by the City, either terminate this agreement or relet the leased premises, or any part thereof, for such terms (which may be for a shorter or longer term) and conditions, and for such rentals, fees and charges, as the Authority in its sole discretion may deem advisable, with the right to make alterations, repairs or improvements on said leased premises.

3. No re-entry or reletting of the leased premises by the Authority shall be construed as an election of the Authority's part to terminate this agreement unless a written notice of such intention is given to the City. In reletting the leased premises, the Authority shall be obligated to make a good faith effort to attempt to obtain terms and conditions no less favorable to itself than those contained herein and otherwise seek to mitigate any damage it may suffer as a result of event of default by the City.

4. Unless the Authority elects to terminate this Agreement, the City shall remain liable for and promptly pay all rent, fees and charges accruing hereunder until termination of this Agreement at the expiration date set forth herein. The City's responsibility concerning environmental matters as set forth in Subsection 8.07 shall continue notwithstanding termination of the lease.

5. In the event that the Authority relets the leased premises, rentals, fees and charges received by the Authority from such reletting shall be applied: first, to the payment of any indebtedness other than rent, fees and charges due hereunder from the City to the Authority; second, to the payment of any cost and legal fees of such reletting; third, to the payment of rent, fees and charges due and unpaid hereunder; and the residue, if any, shall be held by the Authority and applied in payment of future rent, fees and charges as the same may become due and payable hereunder. Should that portion of such rent, fees and charges received from such reletting applied to the payment of rentals, fees and charges due hereunder be less than the rent, fees and charges payable during applicable period by the City hereunder, then City shall pay such deficiency to the Authority. The City shall also pay to the Authority, as soon as ascertained, any costs and expenses incurred by the Authority in such reletting not covered by the rent, fees and charges received from such reletting.

## **ARTICLE X.**

### **CANCELLATION BY CITY IN EVENT OF DEFAULT BY THE AUTHORITY**

#### **Subsection 10.01 Events of default by the Authority.**

Each of the following events shall constitute an "Event of Default by the Authority":

1. The Authority fails after receipt of written notice from City to keep, perform or observe any term, covenant or condition herein contained to be kept, performed or observed by the Authority and such failure continues for sixty (60) days.

2.

It is further understood and agreed that if the United States Government find it necessary to demand possession of the leased premises for any military, necessary, or emergency governmental use, in such event, the Authority and the City shall each have the right to cancel this lease upon giving thirty (30) days written notice to the other, and in such event, the City's obligation to pay rent, insurance, and utilities for the leased premises shall cease as of the effective date of termination. If the lease is terminated as provided in this subparagraph 2, the City shall have the right of first of refusal to renew this lease for the balance of this lease term within ninety (90) days after receipt of written notice from Authority of the termination of such government use. Rent shall be payable for the first year of the renewed lease at the same rental rate that was in effect as of the date of termination and shall increase annually thereafter at a three percent (3%) rate.

#### **Subsection 10.02 Remedies for Authority's Defaults.**

Upon the occurrence of an event of default by the Authority, the City shall have the right to suspend this Agreement and all rent, fees and charges payable by City under this agreement shall abate during a period of suspension, or the City may terminate this Agreement which shall also terminate its obligation to pay future rent thereafter.

## **ARTICLE XI.**

### **RIGHTS UPON TERMINATION**

#### **Subsection 11.01 Fixed Improvements.**

It is the intent of this Agreement that the leasehold improvements and alterations, and items affixed thereto shall become the property of the Authority at expiration of the lease term and any extensions or renewals. In Authority's discretion, the City shall either leave all or some permanent improvements and fixtures or remove all or some of such improvements and fixtures at City expense and restore the property where fixtures are removed upon expiration of the lease term and any extensions or renewals. Notwithstanding the foregoing, the property shall be returned to Authority upon expiration or termination of the lease as a golf course. The City shall not be required to restore the leased premises to

a farming suitable condition.

**Subsection 11.02 Personal Property.**

Upon termination of this agreement, the City shall remove all personal property and items not affixed from the leased premises.

**ARTICLE XII.**

**ASSIGNMENT AND SUBLETTING**

1. The City shall not assign this agreement, or any part thereof, in any manner whatsoever, or assign any of the privileges recited herein, without the prior written consent of the Authority. Neither shall the City sublet any portion of the land, buildings, facilities or privileges contained herein without Authority’s consent. In the event the Authority consents to such assignment or subletting, City shall remain liable to the Authority for compliance with all lease terms for the balance of the term of the lease, including, but not limited to the obligation to pay to the Authority the rent payable as provided herein upon failure of the assignee or subtenant to pay the same when due.

2. The City shall provide the Authority copies of all assignments and subleases between the City and its subtenants or assignees. The assignment/sublease shall require the assignee/ subtenant to comply with all the terms and conditions contained in this original lease. Notwithstanding the foregoing, the City may enter into concession contracts incidental to operation of the golf course without prior approval of Authority. The City shall provide copies of its concession contracts to Authority.

**ARTICLE XIII.**

**QUIET ENJOYMENT**

The Authority covenants that the City, upon payment of the rent and the performance of each and every covenant, agreement, and condition herein, shall have, hold and enjoy the leased premises for the term aforesaid SUBJECT TO:

- 1. The right of Authority, its aviation patrons and the public to use the airspace over the leased premises including aircraft landing and taking off from the airport and all noise incidental thereto; and
- 2. The right of Authority, the United States of America and the State of Nebraska to enter upon the leased premises in event of war, national emergency or disaster.
- 3. The right of Authority to take all or part of the leased premises as provided in Article VII.

## ARTICLE XIV.

### GENERAL PROVISIONS

#### **Subsection 14.01 Non-Interference with Operations of Airport.**

The City, by accepting this agreement, expressly agrees for itself, its successors and assigns that it will not make use of the leased premises in any manner which might interfere with the landing and taking off of aircraft at airport or otherwise constitute a hazard to the aviation operations at the airport. In the event the aforesaid covenant is breached, the Authority reserves the right to immediately enter upon the leased premises and cause the abatement of such interference or hazard at the expense of the City with or without notice.

#### **Subsection 14.02 Attorney's Fees.**

In any action brought by either party for the enforcement of the obligations of the other party, the prevailing party shall be entitled to recover interest and its reasonable attorney's fees.

#### **Subsection 14.03 Taxes and Special Assessments.**

It is anticipated that property tax will not be assessed against the leased premises; **HOWEVER**, the City shall be responsible to pay any leasehold tax, real estate tax, and all personal property taxes, or other taxes which may be assessed against its interest or the leased premises, if any, and shall pay all taxes, for its personal property belonging to the City located on the leased premises.

#### **Subsection 14.04 Right to Contest.**

The City shall have the right to contest the validity or amount of any tax, assessment or charge, lien or claim of any kind in respect to the leased premises. The City, so long as the matter shall remain undetermined by final judgment, shall not be considered in default hereunder by the nonpayment thereof.

#### **Subsection 14.05 Air Show.**

In the event special acts performing at an air show at the airport require a restricted air box for safety purposes, the Authority reserves the right to close the golf course or part of the golf course and prohibit public access to the leased premises or any part thereof only for the limited time period as may be necessary for safety purposes not to exceed four (4) calendar days annually. As a condition to any temporary restriction or closure, Authority shall provide at least six (6) months prior written notice to City. Such closure or partial closure shall not abate or reduce the City's rent obligation.

**Subsection 14.06. Disclaimer of Reversion.**

The City declares and agrees that its use of the leased premises as a public golf course does not constitute grounds for reversion of such premises to the City of Grand Island.

**Subsection 14.07 License Fees and Permits.**

The City shall obtain and pay for all licenses, permits, fees or other authorization or charges as required under federal, state or local laws and regulations insofar as they are necessary to comply with the requirements or this agreement and the privileges extended hereunder.

**Subsection 14.08 Non Exclusive Rights.**

It is hereby specifically understood and agreed between the parties that nothing herein contained shall be construed as granting or authorizing the granting of exclusive rights to the City or others as prohibited by federal law, rule and regulation.

**Subsection 14.09 Paragraph Headings.**

The paragraph headings contained herein are for convenience in reference and are not intended to define or limit the scope of any provision of the Agreement.

**Subsection 14.10 Interpretation.**

This agreement shall be interpreted in accordance with the laws of the State of Nebraska. Should any part of this agreement be adjudicated, venue shall be proper only in the District Court of Hall County, Nebraska.

**Subsection 14.11 Non-Waiver.**

No waiver of any condition or covenant in this instrument contained or of any breach thereof, shall be taken to constitute a waiver of any subsequent condition, covenant or breach.

**Subsection 14.12 Severability.**

If any term or provision of this lease or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this lease, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each other term and provision of this lease shall be valid and be enforced to the fullest extent permitted by law.

**Subsection 14.13 Binding Effect.**

This lease, including all of its covenants, terms, provisions and conditions, shall be binding upon an inure to the benefit of the parties hereto and their respective heirs, successors and assigns.

**Subsection 14.14 No Partnership.**

Nothing contained in this lease shall be deemed to create the relationship of principal and agent or of partnership or joint venture or any relationship between the Authority and City other than the relationship of the Authority and City.

**Subsection 14.15 Notices.**

Whenever any notice or payment is required by this agreement to be made, given or transmitted to the parties hereto, such notice or payment shall be enclosed in an envelope with sufficient postage attached to insure delivery and deposited in the United States Mail, to Authority addressed to:

Executive Director  
Hall County Airport Authority  
Central Nebraska Regional Airport  
3743 Sky Park Road  
Grand Island, NE 68801

and notices, consents and approvals to the City addressed to:

Mayor  
City of Grand Island, Nebraska  
P.O. Box 1968  
Grand Island, NE 68802

or such place as either party shall, by written directive, designate in the manner herein provided.



**IN WITNESS WHEREOF**, the parties have caused this Lease Agreement to be executed on their behalf by their duly authorized officers the day and year above written.

HALL COUNTY AIRPORT AUTHORITY

CITY OF GRAND ISLAND, NEBRASKA

BY \_\_\_\_\_  
EXECUTIVE DIRECTOR

BY \_\_\_\_\_  
MAYOR

ATTEST:

ATTEST:

BY \_\_\_\_\_  
SECRETARY

BY \_\_\_\_\_  
CITY CLERK

## EXHIBIT A

### LEGAL DESCRIPTION OF LEASED PREMISES

A tract of land comprising part of the Northeast Quarter (NE1/4), part of the North Half of the Southeast Quarter (N1/2 SE1/4), part of the North Half of the Northeast Quarter of the Southwest Quarter (N1/2 NE1/4 SW1/4), part of the Southeast Quarter of the Northwest Quarter (SE1/4 NW1/4), Section Two (2), Township Eleven (11) North; part of the Southeast Quarter of the Southeast Quarter (SE1/4 SE1/4) of Section Thirty Five (35), Township Twelve (12) North; all being in Range Nine (9) West of the 6<sup>th</sup> P.M., Hall County, Nebraska, and more particularly described as follows:

Beginning at the northeast corner of said Section 2; thence running southerly along the east line of said Section 2 a distance of Three Thousand Three Hundred Five and Eight Tenths (3,305.8) feet to a point that is Six Hundred Forty Eight (648.0) feet north of the Southeast corner of said N1/2 SE1/4; thence running westerly, parallel to the south line of said N1/2 SE1/4 a distance of Two Thousand Six Hundred Thirty Nine and Nine Hundredths (2,639.09) feet to a point on the west line of said N1/2 SE1/4; thence running northerly along the west line of said N1/2 SE1/4 a distance of Nine and Thirty Eight Hundredths (9.38) feet to the southeast corner of said N1/2 NE1/4 SW1/4; thence running westerly along the south line of said N1/2 NE1/4 SW1/4 a distance of Two Hundred Eighteen and Five Tenths (218.5) feet; thence deflecting right 80°48'30" and running northwesterly a distance of One Thousand Four Hundred Thirty One and Two Tenths (1,431.2) feet; thence deflecting right 98°28' and running easterly a distance of Four Hundred Fifty and Forty Four Hundredths (450.44) feet; thence deflecting left 45°00'10" and running northeasterly a distance of Three Thousand Three Hundred Seventy-six and Fifteen Hundredths (3,376.15) feet; thence deflecting right 44°29'30" and running easterly a distance of One Hundred Ninety (190.0) feet to a point on the east line of said SE1/4 SE1/4, Section 35, thence deflecting right 90°01' and running southerly along the east line of said SE1/4 SE1/4, Section 35 a distance of Five Hundred Fifty One and Thirty Three Hundredths (551.33) feet to the point of beginning and containing 174.46 acres more or less

## EXHIBIT B

### GOLF COURSE RENT SCHEDULE

(Based on Yearly 3% Increase)

<b>Year</b>	<b>Amt</b>	<b>Increase</b>	<b>New Rent</b>	<b>Amt</b>
2006	\$	15,701.40		
2007	\$	471.04	\$	16,172.44
2008	\$	485.17	\$	16,657.62
2009	\$	499.73	\$	17,157.34
2010	\$	514.72	\$	17,672.06
2011	\$	530.16	\$	18,202.23
2012	\$	546.07	\$	18,748.29
2013	\$	562.45	\$	19,310.74
2014	\$	579.32	\$	19,890.06
2015	\$	596.70	\$	20,486.77
2016	\$	614.60	\$	21,101.37
2017	\$	633.04	\$	21,734.41
2018	\$	652.03	\$	22,386.44
2019	\$	671.59	\$	23,058.04
2020	\$	691.74	\$	23,749.78
2021	\$	712.49	\$	24,462.27
2022	\$	733.87	\$	25,196.14
2023	\$	755.88	\$	25,952.02
2024	\$	778.56	\$	26,730.58
2025	\$	801.92	\$	27,532.50
2026	\$	825.97	\$	28,358.47

RESOLUTION 2006-97

WHEREAS, the City of Grand Island has leased land from the Hall County Airport Authority for a number of years for use as a municipal golf course; and

WHEREAS, the current lease agreement is set to expire on April 30, 2006; and

WHEREAS, it is advantageous to both parties that the land continue to be used for a municipal golf course; and

WHEREAS, a proposed new lease agreement for approximately 174.46 acres of land for a period of twenty years has been reviewed and approved by the City Attorney.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the Golf Course Lease Agreement by and between the City and the Hall County Airport Authority is hereby approved; and the Mayor is hereby authorized and directed to execute such agreement on behalf of the City of Grand Island.

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Adopted by the City Council of the City of Grand Island, Nebraska, March 28, 2006.

\_\_\_\_\_  
Jay Vavricek, Mayor

Attest:

\_\_\_\_\_  
RaNae Edwards, City Clerk

Approved as to Form  \_\_\_\_\_  
March 23, 2006  City Attorney