



MECHANIC BUILDING & T-HANGAR LEASE AGREEMENT

Independence Municipal Airport (KIIB)

This Lease Agreement ("Agreement") is made and entered into this ____ day of _____, 2025, by and between the **City of Independence, Iowa** ("City") and Street Flying Service LLC ("Lessee").

1. Leased Premises

The City hereby leases to Lessee the following properties (collectively, the "Premises") located at the Independence Municipal Airport:

- **The Mechanic Building** (also known as the Vault building). (Considered a "Hangar", subject to rules and regulations related to Hangars and Hangar use.)
- **One (1) T-Hangar**, identified as A4E.

The Premises shall be used exclusively for the purpose of providing aircraft maintenance, related aviation services, and the storage of aircraft.

2. Lease Term

The term of this Agreement shall be for **six (6) months**, commencing on _____, 2025, and ending on _____, 2026, unless terminated earlier in accordance with the provisions of this Agreement.

3. Rent, Utilities, and Fees

- **Monthly Rent:** Lessee shall pay the City a total monthly rent of **Five Hundred Seventy-Five Dollars (\$575.00)**.
- **Payment Due Date:** All rent payments are due in advance on the first day of each month. All payments must be received on or before the due date.

- **Late Fees:** If rent is not received by the 5th day of the month, a late fee of \$50.00 shall be assessed, with additional sums of \$50.00 assessed for each partial five (5) day increment thereafter. (If paid between 6th and 10th, an additional late fee will be applied in the amount of \$50.00, if paid on the 11th, an additional late fee of \$50.00 will be due and payable, etc.)
 - **Utilities:** In addition to rent, Lessee is responsible for the payment of **all propane usage** during the lease term. The propane tank, which is provided at lease commencement with an 80% fill level, must be returned with a fill level of at least 80% capacity upon termination of the lease. By execution of this lease agreement, the parties agree that the propane tank was full to 80% or greater at commencement of the lease term.
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4. Default and Remedies

- **Default:** A default shall occur if the Lessee fails to pay rent when due or fails to comply with any other term or condition of this Agreement.
 - **Notice to Cure:** In the event of a default, the City shall provide the Lessee with written notice specifying the nature of the default. The notice will state that this Agreement shall be terminated unless the Lessee remedies the default(s) within the 30-day period immediately following service of the Notice.
 - **Termination:** If the Lessee fails to remedy the default within the specified period, the City may, at its option, terminate this Agreement and require the Lessee to peacefully vacate the Premises without delay and without causing damage.
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5. Insurance Requirements

Lessee shall procure and maintain at its own expense the following insurance coverage for the duration of this Agreement:

- **Commercial General Liability Insurance:** With a minimum combined single limit of **\$1,000,000 per occurrence**.
- **Hangar Keepers Liability Insurance:** With a minimum limit of \$1,000,000 to cover loss or damage to aircraft and their contents in the Lessee's care, custody, or control.

- **Additional Insured:** The **City of Independence shall be named as an additional insured** on all required policies. Certificates of insurance must be provided to the City prior to occupancy and must be kept current throughout the lease term.
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6. Use of Premises and Airport Rules

- **Compliance:** Lessee, its employees, agents, and subcontractors must comply with all Independence Municipal Airport rules, regulations, and policies, as well as all applicable FAA regulations, state laws, and local ordinances.
 - **Prohibited Acts:**
 - Fueling or running aircraft engines inside the hangar is strictly prohibited.
 - No fuel storage is permitted inside the hangar. Fueling must be conducted outside using approved containers and transfer devices.
 - **Hangar Doors:** Hangar doors must be kept closed when not in active use.
 - **Parking:** Automobile parking inside the hangar is permitted only when the Lessee is away for an extended period, with proof of current automobile insurance must be provided to the City upon request.
 - **Trash Disposal:** The Premises must be kept clean, tidy, and free of flammable materials and trash. Trash may be disposed of in the designated dumpster near the terminal building.
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7. Maintenance, Repairs, and Alterations

- **Lessee's Responsibilities:** Lessee shall keep the Premises in a clean, safe, and professional condition at all times. Lessee is responsible for promptly clearing snow from the hangar door to the edge of the taxiway. The City will plow snow within approximately five feet of the hangar door.
- **City's Responsibilities:** The City shall be responsible for maintaining the structure of the Premises, provided that any damage caused by the negligence or actions of the Lessee, its employees, or agents shall be repaired at the Lessee's sole expense.
- **Reporting:** Lessee must promptly report any building maintenance issues to the Airport Director.

- **Alterations and Improvements:** Lessee shall not make any additions or improvements to the Premises without prior written approval from the City. Any approved alterations must not interfere with airport operations.
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8. Oversight and Access

- **Oversight:** The Lessee and all mechanics shall report directly to the Airport Director for operational coordination. The Airport Director reserves the right to conduct periodic visits to ensure compliance with this Agreement.
 - **Locks:** Only airport-issued locks may be used on the hangar.
 - **City's Right of Entry:** The City reserves the right to enter the Premises at reasonable times and upon reasonable notice to conduct inspections, perform maintenance, or respond to emergencies.
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9. Assignment and Subletting

Lessee shall not assign this Agreement or sublet the Premises, in whole or in part, without the prior written consent of the City, which may be withheld in the sole discretion of the City.

10. Damage or Destruction

If the Premises become unusable due to fire or other casualty not caused by the Lessee, and the City chooses to repair the damage, rent shall be abated during the repair period. If the damage is caused by the Lessee, or if the City elects not to repair, rent shall not abate and this Agreement shall terminate.

11. Subordination and Airport Operations

- **Airport Development:** The City reserves the right to further develop, improve, or modify the airport facilities without interference from the Lessee.
 - **Governmental Use:** This Lease is subordinate to any agreement between the City and the U.S. Government for military or national emergency use of the airport.
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12. Liability and Indemnification

Lessee agrees to defend, indemnify, and hold harmless the City of Independence, its officials, employees, and agents from and against any and all claims, losses, damages, or liabilities arising from the Lessee's occupancy or use of the Premises.

13. Security Gate Use

Gate #1 is restricted to airport equipment or large vehicles and requires authorization from the Airport Director for use. All tenants shall use **Gate #2** and must ensure it is closed before leaving the area.

14. Entire Agreement

This document contains the entire agreement and understanding between the parties. Any amendment or modification must be in a written document signed by both parties.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

CITY OF INDEPENDENCE, IOWA

By: _____

City Manager

Date: _____

LESSEE

By: _____

Name & Title: _____

Date: _____