RESOLUTION NUMBER 7880

A resolution authorizing the Mayor and City Clerk to enter into a Hangar Lease with Chad Lottman, for the purpose of leasing Hangar L-11, located at the Beatrice Municipal Airport.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF BEATRICE, NEBRASKA:

SECTION 1. That the Mayor and City Clerk be and hereby are authorized to enter into a lease between the City of Beatrice, Nebraska and Chad Lottman, for the purpose of leasing Hangar L-11, located at the Beatrice Municipal Airport. A copy of said Hangar Lease, marked as Exhibit "A", is attached hereto and incorporated by reference.

SECTION 2. That all resolutions or parts of resolutions in conflict are hereby repealed.

RESOLUTION PASSED AND ADOPTED this 2nd day of November, 2026.

Attest:

Erin Saathoff, MMC, City Clerk

Michael McLain, Mayor

Exhibit "A"

HANGAR LEASE

This Lease is made and entered into by and between the City of Beatrice, Nebraska, a Municipal Corporation, hereinafter referred to as "Lessor", and Chad Lottman, hereinafter referred to as "Lessee".

NOW, THEREFORE, in consideration of the mutual covenants herein, the parties agree as follows:

1. LEASED PREMISES. Lessor hereby leases to Lessee and Lessee hereby leases from Lessor, subject to all of the terms and conditions of this Lease, Hangar L-11, as shown on the map attached hereto and marked as Exhibit "A", located in the Southeast Quarter of Section 21, Township 4, Range 6 East of the P.M., Beatrice, Gage County, Nebraska (collectively, hereinafter the "Leased Premises").

2. TERM. The initial term of this Lease shall commence on October 1, 2026 and end on March 31, 2027. This Lease shall automatically renew for another one (1) year term beginning on April 1, 2027, hereinafter, unless either party gives a thirty (30) calendar day written notice of its intention to terminate, or the Lease is terminated pursuant to the terms of this Lease."

3. PAYMENT. Lessee shall pay to Lessor for rent in the amount of Three Thousand Seven Hundred Eight Dollars and Eighty-Four Cents ($3,708.84) payable in six (6) monthly installments of Six Hundred Eighteen Dollars and Fourteen Cents ($618.14), which shall be due on or before first day of each month, beginning on October 1, 2026. Thereafter, the annual rental amount shall increase by one and a half percent (1.5%) each year during the term of this Lease. For example, the annual rental for the lease year beginning on April 1, 2027 and ending on March 31, 2028 shall be Seven Thousand Five Hundred Twenty-Eight Dollars and Ninety-Five Cents ($7,528.95).

4. INTEREST ON LATE PAYMENTS. In the event any rent or any other sum payable by Lessee to Lessor under the provisions of this Lease is not received by Lessor from Lessee within ten (10) calendar days the date it is due and payable, Lessee shall pay to Lessor an additional sum ("Late Charge") in the amount equal to one percent (1%) of the amount of annual rent due for each day such rent is due and not paid. In addition to any other charges permitted herein, if Lessee makes a payment to Lessor by check and said check is returned to Lessor by Lessee's bank for insufficient funds, then an additional charge of Twenty-Five Dollars ($25.00) per check shall be paid by Lessee to Lessor.

5. RIGHT TO LEASE. Lessor covenants that Lessor is seised of the Leased Premises in fee simple and has full right to make this Lease and that Lessee shall have quiet and peaceable possession of the Leased Premises during the term hereof.

6. PURPOSE. The purpose of this Lease is for Lessee to use the Leased Premises exclusively for aeronautical purposes. If Lessee fails or ceases to use the hangar for an acceptable aeronautical use, this Lease is subject to termination. Lessee shall not use, or permit the Leased

Premises, or any part thereof, to be used for any purpose or purposes other than the purpose or purposes for which the Leased Premises are hereby leased; and no use shall be made or permitted to be made of the premises, or acts done, which would cause a cancellation of any insurance policy covering the premises, or any part thereof. Lessee hereby expressly agrees that Lessor has made no warranty with respect to the project or as to its suitability or usefulness for Lessee's purposes; and Lessee hereby expressly agrees that the Lessor shall not be liable to it for any defect in the Leased Premises.

Lessor understands and agrees that the following activities shall be prohibited from taking place on the Leased Premises:

A. Use of area heaters, regardless of the type, is prohibited in the hangar without prior written authorization by Lessor; and
B. Smoking or open flame operations of any kind are strictly prohibited in the hangar.

7. ACCEPTABLE AERONAUTICAL USES. For purposes of this Lease, "Acceptable Aeronautical Use" shall meet the following conditions:

A. Storage of "Flyable Aircraft". For the purpose of this lease, "Flyable Aircraft" shall meet all of the following conditions:
    a. A correct and valid Certificate of Registration;
    b. A correct and valid Certificate of Airworthiness;
    c. An annual or condition or progressive maintenance inspection completed and released by an appropriate authority that the aircraft is in a condition safe for flight; and
    d. A determination by the pilot in command that the aircraft is in a condition safe for flight.
B. Shelter for maintenance, repair or refurbishment of aircraft, but not the indefinite storage of non-flyable aircraft. The Lessor shall, in its sole discretion, determine what is a reasonable length of time to store non-flyable aircraft. The Lessor may ask for and receive in writing from the Lessee a plan showing by what method and how long is needed to make the aircraft flyable. Once a plan is agreed upon, the Lessor may terminate a lease if the plan is not followed. The Lessor has the option to extend the plan time limits if the Lessee is making reasonable progress toward completing the aircraft project or for extenuating circumstances such as Lessee illness, mechanic illness, or military deployment;
C. Construction of home-built aircraft provided that activities are conducted safely;
D. Ultralight aircraft operating within the limits of FAR 103 have no certificates, maintenance, or record keeping required by the FAA. FAR 103 ultralights are an aeronautical activity and may be hangered and operate on public use airports;

E. Storage of aircraft handling equipment tow bar, workbenches, tools and materials used to service, maintain, repair or outfit aircraft; items related to ancillary or incidental uses that do not affect the hangars' primary use;
F. Storage of materials related to an aeronautical activity (ex: balloon and skydiving equipment, office equipment, teaching tools, and materials related to ancillary or incidental uses that do not affect the hangars' primary use) and storage of non-aeronautical items that do not interfere with the primary aeronautical purpose of the hangar; and
G. A vehicle parked in the hangar while the aircraft usually stored in that hangar is flying, subject to local airport rules and regulations.

8. UTILITIES & LIABILITY. The Leased Premises has limited electrical supply and no access to water or sanitary sewer. Lessee's electrical usage is included in the rent set forth above. If Lessee desires additional electrical supply or access to water or sanitary sewer then Lessee shall be the cost of installation and usage. Lessee shall obtain Lessor's prior written approval before extending or alternating any utility service. Lessee may utilize Lessor's garbage dumpster at no additional cost. If, in the sole discretion of Lessor, Lessee's abuses or over uses Lessor's garbage dumpster then Lessee may be required to secure their own garbage service. No janitorial services are provided by Lessor to the Leased Premises as part of this Lease.

9. COMPLIANCE WITH GOVERNMENTAL REGULATIONS. Lessee shall at all times comply in all respects with all applicable government, health, fire and police requirements and regulations. In addition to the foregoing, the use and building regulations as now or hereafter imposed by the provisions of the zoning and building ordinances of the City of Beatrice shall apply; and Lessee shall save and hold Lessor harmless for from any and all expenses or damages resulting from Lessee's failure to do so.

Lessee covenants and agrees that Lessee will exercise its rights and privileges hereunder in a manner so as to not cause, or permit to cause, interference in or with the use, operation, maintenance, or development of the Beatrice Municipal Airport.

Notwithstanding the above, any change in the provision of the zoning and building ordinances of the City of Beatrice, or in the change in the use, operation, maintenance or development of the Beatrice Municipal Airport or Lessor's adjacent land which such changes cause Lessee to no longer be in compliance with the terms of this Section through no action of its own, then such event shall not be deemed a violation of this section.

10. RELATIONSHIP. The parties intend, understand, and agree that the relationship between them is that of landlord and tenant under a commercial lease, and Lessee specifically acknowledges that all statutory proceedings provided by the law of the State of Nebraska applicable to the relationship of commercial landlord and tenant and the remedies accruing to the landlord on default of the tenant as to collection of rent or repossession of the Leased Premises, accrue to the Lessor hereunder, regardless of the length of the term of this Lease.

11. LIENS. Lessee will not permit any mechanic's or other liens for work, services or materials, to attach to the Leased Premises or to any portion thereof; and if any such liens shall be filed or shall attach, Lessee will pay and satisfy the same or get the liens canceled in such manner as may be prescribed by law at the time of such filing or attachment.

12. CONDITION AND REPAIR. Lessor shall maintain the Leased Premises at its expense, except that the cost to repair any damage to the Leased Premises caused by Lessee or its employees, members, agents, or invitees shall be paid by Lessee. Lessee shall be responsible for the cleanup of any hazardous or other material spills from Lessee's aircraft, vehicles, or containers.

13. FIXTURES. Lessee shall not attach any fixtures to any portion of the premises, nor shall Lessee make any alternations, additions, improvements, or changes to the Leased Premises without in each instance first obtaining written approval by Lessor. All fixtures, alterations, additions, improvements, and changes shall become property of Lessor upon termination of the Lease.

14. SAFE CONDITION. Lessee shall at all times keep the Leased Premises in a safe, clean, nuisance-free condition to comply in all respects with all government, health, fire and police requirements and regulations. In addition to the foregoing, the use and building regulations now or hereafter imposed by the provisions of the zoning and building ordinances of the City of Beatrice shall apply except as such may be modified by duly constituted authority.

15. SNOW REMOVAL. Lessor shall provide snow removal on runways, taxiways, and aprons up to two (2) feet of Leased Premises.

16. WAIVER, RELEASE, & INDEMNIFICATION. Lessee and its successors, heirs, personal representatives, and assigns, shall indemnify Lessor and shall save and hold Lessor and Lessor's employees, officers, elected officials, and agents harmless from all liability, loss, damage, death, injury, cost or expense, including, but not limited to, the cost or expense of defending any legal action, which may be occasioned by, or attributable to, or arise out of or incurred in any activity, operations, acts or omissions of Lessee or any third party on or about the Leased Premises, and the Lessee shall at its own expense defend any such suit or action, which may be brought against the Lessor, its tenants, successors or assigns. Lessee shall also provide and pay for policies of insurance against such liabilities, loss, damage or injury as public liability, landlord/tenant, and others necessary to help fund this indemnification to the extent of not less than One Million and 00/100 Dollars ($1,000,000.00) for claim or damages from any single occurrence and to the extent not less than One Million and 00/100 Dollars ($1,000,000.00) to cover the aggregate of any occurrences to the policy together with an insurance certificate listing the City of Beatrice as an additional insured prior to the commencement of this Lease. Said policy shall be taken only with the insurance companies that are duly authorized to do business in the State of Nebraska. If Lessee fails to provide that insurance (or proof thereof to Lessor upon request), Lessor may, after five (5) calendar days' written notice to Lessee, at Lessor's option, procure or renew the insurance. The premiums paid by Lessor plus interest on the amount paid at the rate of twelve

percent (12%) per annum, shall constitute rent hereunder, and Lessee's failure to make reimbursement within thirty (30) calendar days of demand therefore shall constitute a default under this Lease.

Lessee further releases for itself and for its (if any) officers, shareholders, managers, members, employees, agents, attorneys, and assigns, jointly and severally, hereby absolutely and unconditionally release and forever discharge the City, its elected officials, appointed officials, employees, attorneys and assigns from any and all claims, demands, causes of action, liabilities, obligations and damages of any and every kind or nature whatsoever, in law, in equity or otherwise, known or unknown, suspected or unsuspected, disclosed or undisclosed, which they or any one of them has, has had or may hereafter have arising directly or indirectly out of or in any way connected with Lessee's use of the Leased Premises pursuant to this Lease and/or any interruption or disruption of this Lease, which may be based upon or connected with any of the matters of law or fact raised in regard thereto, including all claims for court costs and attorney's fees arising directly or indirectly out of or in any way connected with Lessee's use of the Leased Premises pursuant to this Lease, any interruption or disruption of this Lease, or other matters related to thereto prior to the date of execution of this agreement or any claim released hereby.

Lessee agrees to provide this waiver of rights and indemnification in consideration of the Lessor's agreement to lease the Leased Premises to Lessee.

17. INSPECTION. Lessor may enter the Leased Premises at any reasonable time for the purpose of inspection or for any other purpose necessary or incidental to or connected with the performance of its obligations hereunder, or for any other purpose. It if further understood that Lessee shall furnish Lessor with a key or the combination to any lock they place on the Leased Premises for the purpose of inspection or repair.

18. ENTRY OF PREMISES. Lessee shall have access to Airside components of the airport anytime. Lessor may, but is not required, to provide Lessee access to Landside components of the airport at all times.

19. BREACH & CURE. Failure of either party to this Lease to abide by any provision set forth herein shall constitute a breach of this Agreement. In such event, the non-breaching party may provide written notice to the breaching party describing the breach. The breaching party shall rectify, cure, or refute within thirty (30) calendar days. If the breaching party fails to rectify, cure, or refute within thirty (30) calendar days, the non-breaching party may terminate this agreement without notice.

20. TERMINATION. In addition to the termination proceedings set forth in Section 20 above, either party shall have the right to terminate this Lease for any reason upon thirty (30) calendar days written notice to the other party. Upon damage to the Leased Premises to such an extent that the premises are no longer usable for the purposes intended, this Lease may be immediately terminated by either party.

21. FEDERAL REQUIREMENTS.

A. Lessee shall furnish service on a fair, equal, and not unjustly discriminatory basis to all users thereof, and to charge fair, reasonable, and not unjustly discriminatory prices for each unit or service; provided, that Lessee may make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

B. Lessor reserves the right (but shall not be obligated to Lessee) to maintain and keep in good repair the landing area of the airport and all publicly-owned facilities of the airport and all publicly-owned facilities of the airport, together with the right to direct and control all activities of the Lessee in this regard.

C. Lessor reserves the right to further develop and improve the landing area and all publicly-owned air navigation facilities of the airport as it sees fit, regardless of the desires or views of the Lessee, and without interference or hinderance.

D. Lessor reserves the right to take any action it considers necessary to protect the aerial approaches of the airport against obstruction, together with the right to prevent Lessee from erecting, or permitting to be erected, any building or other structure on the airport which in the opinion of the Lessor would limit the usefulness of the airport or constitute a hazard to aircraft.

E. During time of war or national emergency, Lessor shall have the right to enter into an agreement with the United States Government for military or naval use of part or all of the landing area, the publicly-owned air navigation facilities and/or other areas of facilities and/or other areas or facilities of the airport. If any such agreement is executed, the provisions of this instrument, insofar as they are inconsistent with the provisions of the agreement with the government, shall be suspended.

F. This agreement shall be subordinate to the provisions of any outstanding agreement between Lessor and the United States Government or any agency thereof relative to the maintenance, operation, or development of the airport.

G. It is understood and agreed that the rights granted by this agreement will not be exercised in such a way as to interfere with or adversely affect the use, operation, maintenance or development of the airport.

H. Lessor reserves for itself, its successors, and assigns, for the use and benefit of the public, a free and unrestricted right for passage of aircraft in the airspace above the surface of the Leased Premises, together with the right to cause in said airspace such noise as may be inherent to the operation of aircraft, now known or hereafter used

for navigation of or flight in the air using said airspace or landing at, taking off from, or operation on or about the airport.

I. Lessee for themselves, their heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that in the event facilities are constructed, maintained, or otherwise operated on the Leased Premises for a purpose for which the Department of Transportation program of activity is extended or for another purpose involving the provision of similar services or benefits, the Lessee shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said regulations may be amended.

J. Lessee for themselves, their heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agrees as a covenant running with the land that: (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, and (3) that the Lessee with all other requirements imposed by or pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said regulations may be amended.

K. It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right within the meaning of 308 of the Federal Aviation Act of 1958.

22. FILING FEES. Lessee shall pay all filing fees associated with the filing of any notice of this Lease.

23. SUBLEASES. The Leased Premises, in whole nor in part, may not be subleased by the Lessee without written permission from Lessor. The right to receive rents under this Lease shall be freely assignable by the Lessor.

24. ASSIGNMENT. Any sale or mortgage of Lessor's interest in the leased premises shall not be subject to this Lease, and the existence of this Lease. Lessee may not assign or pledge this Lease or any interest thereon without the prior express written approval of the Lessor, which consent shall not be unreasonably withheld.

25. SALE. Any sale or mortgage of Lessor's interest in the Leased Premises shall not be

subject to this Lease, and the existence of this Lease. Lessee may not assign or pledge this Lease nor any interest thereon without the express written approval of the Lessor.

26. REMOVAL OF ALTERNATIONS OR IMPROVEMENTS UPON TERMINATION. On the expiration of this Lease, or sooner termination thereof, Lessee shall, at its own expense, remove all alterations and other improvements and to restore the Leased Premises to the condition they were in prior to the making or installation of the alterations and other improvements unless Lessor waives this requirement in writing.

27. NOTICES. Any Notice provided for or concerning this Lease shall be in writing and shall be deemed sufficiently given when sent by certified or registered mail if sent to the respective address of each party as set forth below:

Lessor: City of Beatrice
ATTN: City Attorney
400 Ella Street
Beatrice, NE 68310

Lessee: Chad Lottman
2006 Wildwood Circle
Beatrice, NE 68310

28. SIGNAGE. Lessee agrees that no signs or advertising material shall be placed or erected upon the Leased Premises without the prior written consent of Lessor.

29. TAXES. As of the signing of this Lease, Lessor is not assessed Property Taxes or Personal Property Taxes by the County. If Lessor is assessed Property Taxes or Personal Property Taxes in the future, then those taxes shall be passed on to Lessee and be in addition to the Rent. Lessor shall notify Lessee within thirty (30) calendar days of Lessor learning that the County will be assessing Lessor Property Taxes or Personal Property Taxes. Upon receiving notice, Lessee shall have thirty (30) calendar days to notify Lessor in writing of their desire to terminate this Lease effective December 31st of the current year

30. SUBJECT TO APPROVAL. It is understood and agreed that this agreement is subject to the approval of the Nebraska Department of Aeronautics.

31. COVENANTS. The terms, promises and conditions of this Lease are covenants running with the land leased herein and shall inure to the benefit of and shall bind and be obligatory upon the successors and assigns of the Lessor and the Lessee.

32. WAIVER. No forbearance to enforce the breach of any of the promises or covenants of this Lease shall be construed as a waiver of any succeeding breach of the same or any other covenant hereof.

33. WRITTEN MODIFICATION, RELEASE, DISCHARGE, OR WAIVER REQUIRED. No modification, release, discharge, or waiver of any provision hereof shall be of any force or effect unless signed by the party against whom it is claimed or that party's duly authorized agent.

34. SAVINGS CLAUSE. If any paragraph or part thereof of this Lease shall be invalid, illegal or inoperative for any reason, the remaining parts, so far as possible, shall be effective and fully operative.

35. ENTIRE AGREEMENT. This instrument contains the entire agreement of the parties as of this date, and the execution hereof has not been induced by either party by any representations, promises or understandings not expressed herein. There are no collateral agreements, stipulations, promises or undertakings that are not expressly contained herein or incorporated herein by specific reference.

36. SUPERSEDE. This Agreement shall supersede and terminate all previous agreements between the parties, or their predecessors.

37. CAPTIONS. The captions or headings of paragraphs in this Lease are inserted for convenience only, and shall not be considered in construing the provisions hereof if any question of intent should arise.

38. GOVERNING LAW. The laws of the State of Nebraska shall govern this Lease.

Dated this 2nd day of November, 2026.

Attest:

Erin Saathoff, City Clerk

CITY OF BEATRICE, NEBRASKA,
a Municipal Corporation,
Lessor

By: _____
Mike McLain, Mayor

CHAD LOTTMAN, Lessee

By: _____
Chad Lottman

STATE OF Nebraska)
)ss:
COUNTY OF Gage)

The foregoing Lease was acknowledged before me this 23 day of October, 2026 by Chad Lottman to be his voluntary act and deed.

DEBRA A. BURROUGHS
General Notary State of Nebraska
My Commission Expires:
July 26, 2029

Debra A Burroughs
Notary Public

EXHIBIT "A"

