

AIRPORT HANGAR LEASE

This agreement, made and entered into on the date indicated below by and between the (airport sponsor/ municipality) , Tennessee, a municipal corporation, hereinafter called the Lessor, and ___(Insert Lessee's Name)_____, hereinafter called the Lessee.

WHEREAS, the Lessor owns and operates an airport known as the (Airport name) Airport and Lessee is desirous of leasing from the Lesser a certain parcel of land on the airport, hereinafter more fully described, for the purpose of aircraft storage; and

WHEREAS, the Lessee will use the below described property for the purpose of storing aircraft and shall conduct only such aircraft maintenance on its own aircraft as performed by the Lessee or by regular employees of the Lessee, and

NOW, THEREFORE, for and in consideration of the rental charges, covenants, and agreements herein contained, the Lessee does hereby lease from the Lessor the following premises, rights, and easements on and to the airport upon the following terms and conditions.

1. **Lease of Hangar Area.** Lessor agrees to Lessee and Lessee agrees to lease from Lessor Area (Enter Property Description), as shown in Exhibit A, located in Building (Enter Building #), as shown on the approved Airport Layout Drawing (the "Hangar"), at (Insert Airport Name) (the "Airport"), for the purpose of storing/parking the following aircraft (the "Aircraft").

Aircraft Make _____
Aircraft Model _____
Aircraft Year _____
Aircraft Registration Number _____
Aircraft Serial Number _____
Aircraft Registered Owner(s) _____
Aircraft Owner(s) Address and Phone Number (if different from Lessee) _____

2. **Hangar Construction.** The Lessee shall have the right to erect, maintain and alter buildings or structures upon the premises providing such buildings or structures conform to the building code requirements of the Tennessee Department of Commerce and Insurance and pertinent provisions of any local ordinance in effect. All plans for such buildings or structures shall be reviewed and approved in writing by the Lessor prior to construction. (For Construction of Hangars Only)

3. **Term.** The term of this lease shall be for a period of (insert number of years) years commencing on (date).

4. **Termination.** Either party may terminate this lease agreement upon (insert number of days) days prior written notice.

5. **Rent.** The Lessee agrees to pay to the Lessor for the use of the premises, rights, and easements herein described, a (yearly) rental of cents per square foot for the land leased, for a total annual charge of \$_____ payable on (date). It is understood that the rental rate specified shall be subject to reexamination and readjustment at the end of every (three) year period of this lease, and the adjusted rental will be based on ten (10) percent of appraised value. If disputed, lessor obtains appraisal at his own expense, and lessor/lessee equally shares expense for review appraisal.

All lease payments and deposits are to be made payable to the Board of County Commissioners for (Insert County) County and sent to the (Insert Name/Title and Address). An additional fee for returned checks in the amount of \$25 will be assessed for any payment not honored by the issuing financial institution.

Rental payments not received in full by the tenth (10th) of the month will be subject to a late fee of ten percent (10%) of the unpaid rent. If the Lease Amount is delinquent by thirty (30) days or more, the Lessee will be in default, and this Lease Agreement will automatically terminate.

6. **Non-Exclusive Use.** The Lessee shall have the right to the non-exclusive use, in common with others, of the airport parking areas, appurtenances and improvements; the right to install, operate, maintain and store, subject to the approval of the Lessor in the interests of safety and convenience of all concerned, all equipment necessary for the safe hangaring of the Lessee's aircraft; the right of ingress to and egress from the premises, which shall also extend to Lessee's employees, guests and patrons; the right, in common with others authorized to do so, to use common areas of the airport, including runways, taxiways, aprons, roadways, and other conveniences for the take-off, flying and landing of aircraft.

Notwithstanding, anything herein contained that may be, or appear to be, to the contrary, it is expressly understood and agreed that the rights granted under this agreement are nonexclusive and the Lessor herein reserves the right to grant similar privileges to another Lessee or other Lessees on other parts of the airport.

7. **Laws and Regulations.** The Lessee agrees to observe and obey during the term of this lease all laws, ordinances, rules and regulations promulgated and enforced by the Lessor, and by other proper authority having jurisdiction over the conduct of operations at the airport.

8. **Hold Harmless.** The Lessee agrees to hold the Lessor free and harmless from loss from each and every claim and demand of whatever nature made upon the behalf of or by any person or persons for any wrongful act or omission on the part of the Lessee, their agents or employees, and from all loss or damages by reason of such acts or omissions.

9. **Insurance.** The Lessee agrees that they will deposit with the Lessor a policy of comprehensive liability insurance. The policy shall be issued by a company licensed to do business in Tennessee and shall insure the Lessee against loss from liability to the amount of \$(XXX,XXX 00) for the injury or death of one person in any one accident; and in the amount of \$(XXX,XXX 00) for the injury or death of more than one person in any one accident; and in the amount of \$(XXX,XXX 00) for damage to property of others for any one accident. The cancellation or other termination of any insurance policy issued in compliance with this section shall automatically terminate the lease, unless another policy has been filed and approved pursuant to this section and shall be in effect at the time of such cancellation or termination.

10. **Permitted Uses.**

- a. Storage of lockboxes, other storage bins, units, crates, boxes, tools, parts, and other articles necessary for Lessee's maintenance of the aircraft may be stored on the Leased Premises.
- b. The Lessee agrees not to deposit, discharge, or release waste, fuel, oil or other petroleum products or fractions at the (Insert Airport Name) Airport at (Insert Municipality) or on the Leased Premises and not to use the Leased Premises for any unlawful purpose, or for any purpose that may constitute a nuisance.
- c. Aircraft fueling may only be performed in accordance with (Insert Airport Name) Airport Rules and Minimum Standards, as amended from time to time. Self-fueling is not allowed on the Leased Premises.
- d. Except as otherwise provided herein, Lessee shall only use the Leased Premises for the storage of the aircraft in the area designated in this Lease Agreement and shall not take or use any other area at the Airport that is not part of the Leased Premises, unless the Lessee has an additional lease agreement with Lessor.

11. **Conditions.**

- a. The Aircraft assigned to the Leased Premises must be identified in this Lease Agreement as required by Section 1 above.
- b. The Leased Premises is to be maintained by Lessee in a good state of repair and in the same condition, with exception of normal wear and tear, as of the day Lessee took possession of the Leased Premises, or as upgraded during the term of this Lease Agreement.
- c. Lessee will be responsible for the clean up of any hazardous or other material spills from Lessee's aircraft, vehicles, or containers.
- d. The Leased Premises is for general aviation related storage only and no commercial operations (including but not limited to any aeronautical service provided to the public and Fixed Base Operator ("FBO") activities) are permitted without a separate lease with the County Commissioners for (Insert County) County.
- e. The Leased Premises may not be sublet or assigned without the prior written consent of the Lessor.
- f. Lessee may not make alterations, additions, or improvements to or about the Leased Premises, without the written consent of Lessor.

12. **Aircraft Maintenance.** Pursuant to FAA Order 5190.6A, Airport Compliance Requirements, the Lessee, with its own equipment and employees or agents, shall be allowed to perform maintenance on the Aircraft within/on the Leased Premises, provided that it is not done in a manner that would be unsafe, unsightly, or detrimental to the efficient use of the airport facilities by others. Lessee will dispose of used oil or hazardous waste only in approved receptacles. Approved receptacles may not be available at the Airport, in which case the Lessee must remove the oil or hazardous waste from the Airport for proper disposal.

8. **Maintenance of Buildings.** The Lessee will maintain the structures occupied by them and the surrounding land premises in good order and make such repairs as are necessary. In the event of fire or any other casualty to structures owned by the Lessee, the Lessee shall either repair or replace the building or remove the damaged building and restore the leased area to its original condition; such action must be accomplished within one hundred twenty (120) days of the date the damage occurred. Upon petition by the Lessee, the Lessor may grant an extension of time if it appears such extension is warranted.

9. **Right to Inspect.** The Lessor reserves the right to enter upon the premises at any reasonable time for the purpose of making any inspection it may deem expedient to the proper enforcement of any of the covenants or conditions of this agreement.

10. **Taxes.** The Lessee shall pay all taxes or assessments that may be levied against the personal property of the Lessee or the buildings which they may erect on lands leased exclusively to them.

11. **Signs.** The Lessee agrees that no signs or advertising matter may be erected without the consent of the Lessor.

12. **Default.** The Lessee shall be deemed in default upon:

- a. Failure to pay rent within thirty (30) days after due date.
- b. The filing of a petition under the Federal Bankruptcy Act or any amendment thereto including a petition for reorganization or an arrangement.
- c. The commencement of a proceeding for dissolution or for the appointment of a receiver.
- d. The making of an assignment for the benefit of creditors.
- e. Violation of any restrictions in this lease, or failure to keep any of its covenants after written notice to cease such violation and failure to correct such violation within thirty (30) days.

Default by the Lessee shall authorize the Lessor, at its option and without legal proceedings, to declare this lease void, cancel the same, and re-enter and take possession of the premises.

As a penalty, Lessor reserves the right to seek damages for unpaid rent and any necessary repairs to the Leased Premises. Upon termination, the Lessor may apply the security deposit, and any interest accrued thereon and not paid over to the Lessee, to any or all damages sustained and any Lease Amount past due.

14. **Title.** Title to the building erected by the Lessee shall remain with the Lessee and shall be transferable. Upon termination of this lease, the Lessee may, at the option of the Lessor, remove the buildings, equipment, and property, and restore the leased property to its original condition. (For Hangar Construction)

15. **Non-Discrimination.** The tenant for himself, his personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree 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 be otherwise subjected to discrimination, (3) that the tenant shall use the 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, Non-discrimination in Federally Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

That in the event of breach of any of the above non-discrimination covenants, the airport owner shall have the right to terminate the lease and re-enter as if said lease had never been made or issued. The provision shall not be effective until the procedures of Title 49, Code of Federal Regulations, Part 21, are followed and completed, including exercise or expiration of appeal rights.

16. **Lease Transfer.** The Lessee may not, at any time during the time of this lease, assign or transfer this agreement or any interest contained, without the consent of the Lessor.

17. **Airport Development.** The Lessor reserves the right to further develop or improve the landing area of the airport as it sees fit, regardless of the desires or view of the Lessee, and without interference or hindrance. If the development of the airport requires the relocation of the Lessee, the Lessor agrees to provide a compatible location and agrees to relocate all buildings or provide similar facilities for the Lessee at no cost to the Lessee.

18. **Subordination Clause.** This lease and all provisions hereof are subject and subordinate to the terms and conditions of the instruments and documents under which the airport owner acquired the subject property from the United States of America and shall be given only such effect as will not conflict or be inconsistent with the terms and conditions contained in the lease of said lands from the airport owner, and any existing or subsequent amendments thereto, and are subject to any ordinances, rules or regulations which have been, or may hereafter be adopted by the airport owner pertaining to the _____ Airport.

This lease shall be subordinate to the provisions of any existing or future agreement between the Lessor and the United States or the State of Tennessee relative to the operation or maintenance of the airport, the execution of which has been or may be required as a condition precedent to the expenditure of federal or state funds for the development of the airport. Furthermore, this lease may be amended to include provisions required by those agreements with the United States or the State of Tennessee.

19. **Arbitration.** Any controversy or claim arising out of or relating to this Lease or any alleged breach thereof, which cannot be settled between the parties, shall be settled by arbitration in accordance with the rules of the American Arbitration Association, and judgment upon the dispute rendered by the arbitrator(s) shall be final and binding on the parties.

LESSOR:

By: _____

By: _____

LESSEE:

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals this day of _____, 20____.

In the City of _____, _____ County, Tennessee.

IN THE PRESENCE OF:

Notary

My Commission Expires: _____
