

## HANGAR RENTAL AGREEMENT

This LEASE AGREEMENT (“**Agreement**”) is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2016, between \_\_\_\_\_ (“**Tenant**”) and the **Monroe County Board of Aviation Commissioners** (“**Commissioners**”) for the monthly use of an Airport owned T-Hangar (“**Hangar**”) and in accordance with the facts and objectives set forth herein.

**Whereas**, the Commissioners own certain real property designated as Monroe County Airport for general aviation use by the public and recognized by the Federal Aviation Administration and Indiana Department of Transportation for such use; and

**Whereas**, the Commissioners owns and maintains a T-Hangar structure (“**Hangar**”) at the Airport for lease to Tenants for the storage of FAA-certified airworthy aircraft per the provisions of this Agreement and other applicable regulations; and

**Whereas**, the Commissioners provides for the purpose of general aviation use of the Airport and for the prudent stewardship of taxpayer resources in the equitable and efficient administration of airport affairs; and

**Whereas**, the Commissioners has authorized the Airport Director as their duly appointed designee on matters pertaining to this Agreement, and the Commissioners may designate other personnel as needed to assist with the enforcement of this Agreement and other applicable regulations; and

**Whereas**, the Tenant desires to lease the Hangar from the Commissioners per the provisions of this Agreement;

**NOW THEREFORE**, in accordance of the mutual promises and the agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties, the parties agree to the following terms and conditions.

### 1. PERMITTED USE.

- a) The Commissioners hereby provide Tenant the use of T-Hangar # \_\_\_\_\_, for the storage of an FAA Certified airworthy aircraft described as:  
Make \_\_\_\_\_; Model \_\_\_\_\_;  
Registration Number \_\_\_\_\_;  
Registered in the name of \_\_\_\_\_; \_\_\_\_\_; and its reasonable ground handling equipment subject to the terms and conditions herein provided and any other applicable policies of the Commissioners.
- b) This aircraft shall be kept operable and FAA Certified airworthy, or under repair, for a period not to exceed 90 consecutive days. If such condition is caused by circumstances beyond Tenant’s control and is approved in writing, the Commissioners may allow additional time for repairs; however, it is the sole responsibility of the Tenant to notify the Commissioners when the aircraft becomes un-airworthy.
- c) The Hangar is limited to aeronautical use only by the Tenant and the assigned aircraft as described in this Agreement. If for any reason whatsoever the Tenant changes the aircraft stored within the Hangar, the Tenant shall notify the Commissioners in writing in advance of such change and may require a revision to this Agreement.
- d) Joint ownerships/partnerships that occur subsequent to the execution of this Agreement shall require proof of such partnerships and shall require a revision to the Agreement including signatures of owners.
- e) The storage of other items without consent in writing by the Commissioners is expressly prohibited.
- f) No commercial activity shall be conducted by Tenant in or around the Hangar, and no maintenance activity shall be performed in the Hangar except such maintenance as would normally be performed by an aircraft owner without benefit of a certificated mechanic. However, special provisions as provided by Monroe County Airport Rules and Regulations may be allowed in writing by the Commissioners or their duly appointed designee.
- g) The Tenant may use the Hangar for construction of an aircraft in accordance with the Airport Rules and

Regulation, and by offering routine progress inspections to the Commissioners that depict good faith efforts toward completion of the aircraft project.

- h) The Commissioners may assess an additional charge for extraordinary consumption of utilities by Tenant as determined by the Commissioners in the exercise of its reasonable discretion.
- i) No explosives including fireworks, combustible, or hazardous materials will be permitted within or about the Hangar except for fuel in aircraft tanks or small containers of lubricants, cleaning materials or aviation related fluids. All chemicals will be subject to the regulations contained within the Monroe County Airport Spill Prevention Control and Countermeasure and Storm Water Plan.
- j) Deliberate violations of these terms and conditions may result in immediate suspension of this Agreement and forfeiture of Hangar with no refund to the Tenant.

**2. TERM OF AGREEMENT.**

- a) The term of this Agreement shall be considered Month-by-Month, and shall automatically renew until which time either party provides written notification of their intention to terminate the Agreement at least two weeks prior to the end of the month.
- b) The Agreements shall begin on the first day of each month and end on the last day of each month unless subject to provision set forth in Section 1.j) of this Agreement.

**3. LEASE PAYMENT.**

- a) For use of the Hangar, the Tenant shall pay the monthly fee as provided in the current Airport Master Fee Schedule as approved by the Monroe County Board of Aviation Commissioners. This Lease Payment, due and payable no later than the first (1<sup>st</sup>) day of each, and month shall be \$\_\_\_\_\_.
- b) The Commissioners shall require the payment of applicable penalty charges when the payment has not been received by the seventh (7th) day of each month. A \$25.00 penalty shall be inclusive of the monthly lease payment.
- c) It is further agreed that if the Tenant fails to pay the Lease Payment promptly as specified in this Agreement in excess of 30 days, it shall be deemed failure to comply with the conditions and covenants of this Agreement, then the Commissioners may at their discretion terminate this Agreement and begin eviction procedures.
- d) The Tenant hereby grants to the Commissioners a lien upon all fixtures, chattels and personal property of every kind and description now or hereafter placed, installed, or stored by Tenant; and agrees that in the event of any default continuing for sixty (60) days of any specified rent, Commissioners may take possession of and see the same in any manner provided by law and may credit the net proceeds upon any indebtedness due or damage sustained by the Commissioners, without prejudice to further claims thereafter to arise under the terms hereof.
- e) The fee provided herein shall be adjusted commensurate to market value at the sole discretion of the Commissioners but at a minimum of at least every three-year period beginning May 1, 2016 and equal to the percentage of change in the Consumer Price Index statistics published by the United States Department of Labor Bureau of Labor Statistics. Comparisons shall be made using the index entitled "U.S. City Average, All Items 1982-84=100."
- f) The proposed adjustment shall be presented to the Tenant by the Commissioners thirty (30) days prior to the effective date of the assessment.

**4. TENANT OBLIGATIONS.**

- a) Tenant may use a private lock to secure the Hangar and without exceptions must provide the Commissioners a duplicate key that will unlock the private lock. Such keys shall be provided prior to the Hangar being assigned and shall be secured in the Airport Administration Office and released for purposes of maintenance, inspections, or emergencies, and then only by signature of the recipient of such key.
- b) Tenant shall promptly report to the Commissioners designee any defects in the Hangar which may require maintenance or repairs in order to preserve the Hangar and its environs. The Commissioner's designee shall inspect reported defects and direct repairs as deemed necessary in his/her judgement.
- c) Tenant agrees to comply with all applicable Ordinances, Rules and Regulations, Policies, and directive of any legally constituted authority now in force or hereafter promulgated with respect to the use of the Airport and Hangar.
- d) Tenant's aircraft shall be operated so as to represent to the Commissioners that such Hangar is not

being used solely for the storage of the aircraft, but that the aircraft is within reason using the airport facilities provided by the Commissioners. Tenant shall be responsible for maintaining sufficient documentation to demonstrate such use.

- e) Tenant shall not park or leave aircraft and vehicles on the taxiways or aprons adjacent to the Hangar in a manner which interferes or obstructs the operation of other aircraft or in adjacent hangars, or interferes with snow removal or maintenance operations.
- f) Tenant shall maintain the Hangar in a reasonable manner of cleanliness and free of debris, trash, and other foreign materials. Tenant shall not dispose of debris, trash, used motor oil and fluids, or other foreign material on airport property.
- g) Tenant shall not dispose trash, debris, or refuse that is not normally associated with aircraft operations. As a courtesy, small containers are placed in the vicinity of the T-Hangars. Excessive use of these containers or disposal of trash generated outside the hangar is strictly prohibited, and may result in additional fees or termination of Agreement.
- h) Tenant shall not use the Hangar to conduct meetings or social gatherings without the expressed written consent of the Commissioners through their duly appointed designee.

#### **5. COMMISSIONERS OBLIGATIONS.**

- a) Commissioners shall provide safe and secure access to the Hangar by way of public taxiway.
- b) Commissioners will periodically inspect the structural integrity of the Hangar and make necessary repairs and perform preventative maintenance on the structure, doors, and electrical system as needed, or as in response to notification of defect specified in Section 4-b herein.
- c) Commissioner shall provide for snow and ice control as stated in the Airport Snow and Ice Control Plan (SICP) to the Hangar and the surrounding parking aprons, except the area within three (3) feet of the Hangar doors which shall be the responsibility of the Tenant. With reasonable scheduling, the Commissioners will provide assistance to the Tenant assuring ingress and egress. This service will only be provided when a flight is scheduled.
- d) The Commissioners shall provide for minimal trash removal that is contained within the trash receptacles near the Hangar, and subject to the conditions specifically stated in Section 4.f) and 4.g) of this Agreement.

#### **6. TRANSFERS OR ASSIGNMENTS**

- a) No interest in this Agreement may be assigned or transferred by the Tenant. Tenant is expressly prohibited from subletting, licensing, or permitting any other party or parties to occupy any portion of the Hangar except as otherwise provided herein. Parking of aircraft not owned or leased by Tenant shall be deemed a prohibited assignment or sublease unless the Tenant has obtained and can provide written authorization of approval by the Commissioners through their duly appointed representative.
- b) Tenant may register other FAA-Certified Airworthy aircraft for storage in the Hangar, provided the aircraft is owned or rented directly by the Tenant, and then only by first notifying the Commissioners in writing prior to such storage.
- c) Failure to notify Commissioners may require enforcement of Section 1.j) of this Agreement.
- d) If reasonable cause warrants, the Commissioners have the right to reassign Tenant to another T-hangar at any time.

#### **7. INSPECTIONS.**

- a) The Commissioners, through its duly appointed designee, shall periodically inspect the Hangar to determine if Tenant is in compliance with the provisions of the Agreement or other applicable ordinances, regulations, or policies. Inspections shall be conducted at once least annually and except for emergency purposes shall only be during normal business hours and will attempt prior notification to the Tenant.
- b) Upon completion of an inspection, the Commissioners will provide the Tenant written notification of any compliance issues identified. Depending on the severity, Tenant may be allowed up to thirty (30) days to address the compliance issues. The Commissioners may allow additional time for compliance if it is determined that a hardship issue exists preventing the Tenant from complying within thirty (30) days. Subsequent inspections may be conducted as often as deemed necessary to assure compliance.
- c) Tenants that are determined to be non-compliant after proper notification and re-inspection shall be provided written notice of continued non-compliance. Said notice shall also notify the Tenant of the

Commissioners intention to revoke the Agreement.

- d) The Commissioners reserve the right to inspect Commissioner owned property with or without notice.

**8. INDEMNITY AND INSURANCE.**

- a) Tenant agrees to maintain an insurance policy naming the Commissioners as Additional Insured, and which provides a minimum of \$1,000,000 liability coverage for the protection of the Commissioners and other tenants, and shall provide a certificate of such insurance to the Commissioners annually or as changes occur.
- b) Tenant agrees to release, indemnify and hold the Commissioners, its officers and employees harmless from any and all liabilities, damages, losses or judgments of any kind, including all costs, attorney fees, and expenses thereto, which may be suffered by, or charged to, the Commissioners by reason of any loss of, or damage to, any property or any injury to, or death of, any person arising out of any breach, violation, negligence of Tenant, or non-performance by Tenant or its employees of any covenant or condition of the agreement or by any act or failure to act.
- c) Commissioners shall not be liable for its failure to perform this agreement or for any loss, injury, damage, or delay of any nature caused by any Act of God, fire, accident, labor dispute, riot, insurrection, or any other cause beyond the Commissioners' control.
- d) The Commissioners maintain fire and casualty insurance on the Hangar for its benefit but such insurance shall not cover any property of Tenant and all proceeds payable thereunder shall be the sole property of the Commissioners.
- e) If the Hangar is damaged by any casualty not the result of negligent or deliberate act of Tenant, its licensees, invitees, and guests, Commissioners may elect to terminate this Agreement or may, at its option, repair the damage. If the Commissioners elect to repair the damage, rent shall be abated until repairs are complete.
- f) DISCLAIMER OF LIABILITY: THE COMMISSIONERS HEREBY DISCLAIM AND RENTER HEREBY RELEASES THE COMMISSIONERS FROM ANY LIABILITY, WHETHER IN CONTRACT OR TORT (INCLUDING STRICT LIABILITY AND NEGLIGENCE), FOR ANY LOSS, DAMAGE OR INJURY OF ANY NATURE WHATSOEVER SUSTAINED BY RENTER, ITS EMPLOYEES, AGENTS OR INVITEES DURING THE TERM OF THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO LOSS, DAMAGE OR INJURY TO THE AIRCRAFT OR OTHER PROPERTY OF RENTER THAT MAY BE LOCATED OR STORED IN THE HANGAR, UNLESS SUCH LOSS IS CAUSED BY THE COMMISSIONERS GROSS NEGLIGENCE. THE PARTIES HEREBY AGREE THAT UNDER NO CIRCUMSTANCES SHALL THE COMMISSIONERS BE LIABLE FOR INDIRECT, CONSEQUENTIAL, SPECIAL OR EXEMPLARY DAMAGES, WHETHER IN CONTRACT OR TORT (INCLUDING STRICT LIABILITY AND NEGLIGENCE), SUCH AS, BUT NOT LIMITED TO, LOSS OF REVENUE OR ANTICIPATED PROFITS OR OTHER DAMAGE RELATED TO THE LEASING OF THE HANGAR UNDER THIS AGREEMENT.

**9. DEFAULT.**

- a) Tenant shall be deemed to be in default under this Agreement in the event that:
  - i. Deliberately violates Section 1 of this Agreement.
  - ii. Tenant fails to pay any rent as and when due hereunder and fails to cure such default within five (5) business days of written notice from Commissioners of such failure;
  - iii. Tenant violates, or fails to comply with, any other provision of this Agreement, and fails to cure such default within thirty (30) days of written notice from the Commissioners of such violation or failure. Notwithstanding the foregoing, if Tenant has previously violated a term, condition, or covenant of this Agreement, and is provided with notice of and an opportunity to cure such violation, any subsequent violation of the same term, condition, or covenant shall constitute an Event of Default without further notice or opportunity to cure; or
  - iv. Tenant uses the Hangar for any illegal purpose or in connection with any illegal activity.

**10. REMEDIES.**

- a) If any default occurs (including expiration of any opportunity to cure);
  - i. Commissioners shall have the right to pursue all remedies available at law or equity, including the termination of this Lease and all rights of Tenant hereunder.

- ii. Notwithstanding the Commissioner's termination of Agreement, Tenant shall remain liable to Commissioners for all claims for damages, costs or attorneys' fees arising prior to such termination.

**11. NOTICES AND COMMUNICATION.**

- a) All notices and communication to the Tenant shall be in writing and shall be mailed to the Tenant at the address or email address indicated below. Tenant agrees to notify the Commissioners of any changes within thirty (30) days of such change.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- b) Tenant may be contacted via telephone at the following phone number:

\_\_\_\_\_  
\_\_\_\_\_

- c) All notices to the Commissioners shall be in writing and shall be mailed to:

Monroe County Airport  
972 South Kirby Road  
Bloomington, Indiana 47403  
Email via: [bmg@bluemarble.net](mailto:bmg@bluemarble.net)

**12. ENTIRE AGREEMENT.**

This document constitutes the entire Agreement between the undersigned Tenant and Commissioners. No course of prior dealings between the parties and no usage of trade shall be relevant or admissible to supplement, explain, or vary any of the terms of this Agreement. No representations, understandings, or agreements have been made or relied upon in the making of this Agreement other than those specifically set forth herein.

**AGREED AND ACCEPTED BY THE UNDERSIGNED PARTIES**

\_\_\_\_\_  
**COMMISSIONERS:** by  
President, Monroe County Board of Aviation Commissioners

\_\_\_\_\_  
Monroe County Airport Director  
Duly appointed representative of **COMMISSIONERS**

\_\_\_\_\_  
**TENANT:** by

\_\_\_\_\_  
**TENANT:** by (if Joint Ownership)

\_\_\_\_\_  
**Primary Aircraft** (Make, Model, Registration Number)

\_\_\_\_\_  
**Secondary Tenant** owned Aircraft (if applicable)