

HANGAR LEASE AGREEMENT

HANGAR NUMBER _____

This **Hangar Space Lease Agreement** (this "Agreement") is entered into as of this ____ day of _____, 2017, by and between **The City of Delphi, Airport** ("Lessor") and _____ ("Lessee").

In consideration of the mutual covenants contained herein, and for other good and valuable consideration, the parties hereby agree As follows:

1. **LEASE OF THE HANGAR:** Lessor hereby leases to Lessee Hangar Number (the "Hangar") located at the Delphi Municipal Airport solely for the- storage of the following aircraft:Registration No. N_____ (The "Aircraft"), or any other similar aircraft owned or leased by the Lessee (the. "Substitute Aircraft"), provided Lessee has obtained the prior written, consent of the Lessor to store the Substitute Aircraft in the Hangar, all provisions of this Agreement shall also be applicable to the Substitute Aircraft.
2. **TERM:** The term. of this Agreement shall commence on January 1, 2017 and shall continue in effect until December 31, 2017 unless earlier terminated under the terms of this Agreement.
3. **RENT:** : For use of the Hangar, Lessee shall pay Lessor, at 201 S. Union Street, Delphi, Indiana 46923, the amount \$ per year, payable in advance on the first day of the month due. Payments can be made monthly, quarterly, or semi-annually. A late fee of not less than \$25.00 and no more than 10% of the monthly rent shall be paid with the rent if the Lessee tenders payment after the tenth (10) day of the month. Any payment received by mail post-marked after the 10th day of the month shall be deemed a late payment. An interest rate of twelve percent (12%) per month shall be assessed against any rent or late fee(s) which remain unpaid on the first day of the succeeding month. The amount of the rent maybe changed from time to time by the Lessor upon thirty (30) days prior written notice to Lessee.
4. **DEPOSIT:** Initially, Lessee shall pay a security deposit equal to one months rent upon execution of this lease. The security deposit shall be refunded to the Lessee upon termination of this lease provided that the demised premises are returned in good condition, excepting ordinary wear and tear. The security deposit shall not be applied to any unpaid rent or late fees.
5. **UTILITIES:** Lessor agrees to provide electricity to the Lessee for the sole purpose of lighting the premises and operation of the Hangar door. Lessor will not provide electricity for heating or air conditioning the. premises. Lessee is expressly forbidden to use electricity furnished by the Lessor to operate any portable appliance for heating or air conditioning. Lessee agrees that if Lessee violates this provision, it shall be presumed conclusively that the violation has been continuous and an additional charge of \$5.00 per month will be immediately due and payable to the Lessor as payment for the unauthorized use of Lessor's utilities and must be paid to Lessor upon demand.
6. **USE OF THE HANGAR:** Lessee shall use and occupy said premises for the storage of aircraft only and for no other use or purpose without the express written consent of the lessor. The lessee shall not use or permit upon said premises anything that will invalidate any policies of insurance now or hereafter carried on said building or that will increase the rate of said insurance on demised premises or on the building of which demised premises are a part; and should he do so then the lessee will pay all the extra insurance premiums on the said building which may be causes by the use which said lessee shall make of said demised premises; that the lessee will not use or permit upon said demised premises anything that maybe dangerous to life or limb; that the lessee will not in any manner deface or injure said building or any part thereof. The lessee shall comply with all governmental, health, and police requirements and regulations respecting said premises.

Lessee shall control the conduct and demeanor of its employees invites, guest, relatives, contractors, agents and any persons doing business with it, in and around the Hangar and shall take all steps necessary to remove persons whom Lessor may for good and sufficient cause, deem objectionable. Lessee as well as Lessees employees, invites guest, relatives, contractors, agents and any persons doing business with it shall preserve the security in and around the airport and comply with all federal security requirements. Lessee shall keep the Hangar clean and free of debris at all times. In utilizing. the hangar during the term of this Agreement, Lessee or anyone associated with the Lessee agrees to and shall comply with all applicable ordinances, rules, and regulations established by any federal, state, or local government agency or by the City of Delphi, IN and/or Delphi Board of Aviation Commissioners. Lessee shall reimburse Lessor for any fines levied against Lessor by any federal, state, or local government agency, if the fine is levied as a result of the conduct, act, omission or negligence of lessee or Lessees invites.

Lessee agrees to abide by any security regulations which may include, but not be limited to security measures related to Airfield access, Hangar access and vehicular movement which are required due to the Airport's certification application to the Federal Aviation Administration.

At the termination of this Agreement, by expiration or otherwise, Lessee shall immediately surrender possession of the hangar and shall, at its sole expense, remove the aircraft and all other property therefrom, leaving the hangar in the same condition as when received, ordinary wear and tear excepted. Lessee shall be liable for any and all damages to the Hangar caused by Lessee's use, including, but not limited to bent or broken interior walls, damage to floors due to fuel or spillage, or damage to doors due to Lessee's operation thereof.

7. **SUBLEASE ASSIGNMENT:** Lessee agrees not to sublease the Hangar or to assign this Agreement without the prior written approval of Lessor. The parking of Aircraft not owned or leased by Lessee in the Hangar shall constitute a sublease.
8. **CONDITION OF PREMISES:** Lessee shall accept the Hangar in its present condition without any liability or obligation on the part of Lessor to make any alterations, improvements or repairs of any kind on or about said Hangar. Lessee covenants that upon execution of this Agreement the premise meet his/her approval and are acceptable "as is". Lessor is responsible for repairs to the premises.
9. **ALTERATIONS:** Lessee covenants and agrees not to install any fixtures or make any alterations, additions or improvements to the Hangar without the prior written approval of Lessor. All Fixtures installed or additions and improvements made to the Hangar shall, remain in the Hangar' as a permanent part of the premises at the termination of this Agreement, without compensation or payment to Lessee.
10. **INSURANCE:** Lessee agrees to maintain, at its own expense, for the benefit of itself and Lessor as co-insured, insurance in the minimum amount off \$300,000 or such amounts as may be approved by Lessor, insuring against liability for damage or loss to the Aircraft or other property, and against liability for personal injury or death, arising from the acts or omissions of lessee, its agents and employees. Such policy or policies shall contain a Provision whereby Lessee-s insurer waives any rights of subrogation against Lessor, its agents and employees and providing that lessor must receive at least ten (10) days prior written notice of any cancellation of Lessee's insurance coverage. Prior to the commencement of this Agreement, Lessee shall deliver to Lessor certificates or binders evidencing the existence of the insurance required herein.
11. **CASUALTY:** In the event the Hangar, or the means of access thereto, shall be damaged by fire or any other cause, the rent payable here under shall not abate provided that the Hangar is not rendered untenable by such damage. If the Hangar is rendered untenable and lessor elects to repair the Hangar, the rent shall abate for the period during which such repairs are being made, lessee, its employees, agents, or invites, in which case the rent shall not abate and Lessee or his insurer shall return the hangar to its original condition as soon as possible. If the Hangar is rendered untenable and Lessor elects not to repair the Hangar, this Agreement shall terminate.
12. **INDEMNITY; FORCE MAJEURE:** Lessee agrees to release, indemnify and hold Lessor, its officers and employees harmless from and against any and all liability, damages, business interruption delays, loss, claims, or judgements, of any kind whatsoever, including all cost, attorney's fees, and expenses incidental thereto, which may be suffered by, or charged to Lessor by reason of any loss of or damage to any property or injury to or death of any person arising out of or by reason of any breach, violation or non-performance by Lessee or its servants, employees or agents of any covenant or condition of this Agreement or by any act or failure to act of those persons. Lessor shall not be liable for its failure to perform this Agreement or for any loss, injury, damage of delay of any nature what so ever resulting therefrom caused by an Act of God, fire, flood, accident, strike, labor dispute, riot insurrection, or any other cause beyond Lessor's control. Lessor and Lessee shall give prompt and reasonable notice of any claims or actions against the other party and Lessee and Lessor shall have the right to investigate, compromise and defend same.
13. **DISCLAIMER OR LIABILITY:** Lessor hereby disclaims, and Lessee hereby releases Lessor from, any and all liability, whether in contract or tort (including strict liability and negligence) for any loss, damage or injury of any nature whatsoever sustained by Lessee, its employees, agents or invites during the term of this agreement, including but not limited to loss, damage or injury to the Aircraft or other property of Lessee that may be located or stored in the Hangar, unless such loss, damage or injury is caused by lessor's negligence or by the negligence of Lessor's employee(s) while, acting within the scope of their employment.
14. **DEFAULT:** This Agreement shall be breached if. (a) Lessee shall default in the payment of any rental payment or other payment hereunder; (b) Lessee shall default in the performance of any covenant herein. and such default shall continue for

five (5) days after receipt by lessee of notice thereof from Lessor (c) a petition is filed by or against Lessee under the Bankruptcy Act or any amendment thereto; or (d) Lessee assigns his/her property for the benefit of creditors (e) Lessee or any person associated with Lessee violates the Airport Security Regulations or fails to comply with policies and procedures at the Delphi Municipal Airport.

In the event of any breach of this Agreement by Lessee, Lessor shall, at its option, and without further notice, have the right to terminate this Agreement and to remove the Aircraft and any other property of lessee from the Hangar and/or airport property. Lessee expressly waives the service of any notice. Lessor shall not be responsible for any damage or loss related to said removed Aircraft while it is on airport property. The Lessor may exercise any of the rights specified above and such action shall not prejudice Lessor's right to pursue any other remedy available to Lessor in law or equity.

Lessor is entitled to recover reasonable attorney fees, costs, and expenses incurred by reason of exercising Lessor's remedies under this Agreement.. In the event of termination for non-payment, Lessee hereby agrees to Lessor's lien against Lessee's Aircraft in the amount of Lessee's arrearage.

15. **THIRTY (30) DAY TERMINATION:** Lessee shall have the right, with or without cause, to terminate this Agreement by giving thirty (30) days prior written notice to the Lessor. Lessor may terminate this Agreement with thirty (30) days written notice to Lessee
16. **GOVERNING LAW:** This Agreement shall be construed in accordance with the laws of the State of Indiana.
17. **RELATIONSHIP OF PARTIES:** The relationship between Lessor and Lessee shall always and only be that of Lessor and Lessee.* Lessee shall never at any time during the term of this agreement become the agent of Lessor, and Lessor shall not be responsible for the acts or omissions of Lessee, its employees, agents, or other persons associated with Lessee.
18. **REMEDIES CUMULATIVE:** The right and remedies with respect to any of the terms and conditions of this Agreement shall be cumulative and not exclusive, and shall be in addition to all other rights and remedies available to either party in law or equity.
19. **NOTICES:** Any notice given by one party to the other in connection with this Agreement shall be in writing and shall be sent by certified or registered mail, return receipt requested. Lessee shall immediately notify Lessor of any change of Lessee's address, Notice sent to Lessee's last known address shall constitute notice to the Lessee.

Notices shall be deemed to have been received on the date as shown on the return receipt. If the receipt is returned. to, the Lessor showing that the, certified *or registered mail has been refused by Lessee than Lessor may give notice to Lessee by regular mail.

20. **INTEGRATION:** This Agreement constitutes the entire agreement between the parties., and as of its effective date supersedes all prior Agreements between the parties related to the leasing of the Hangar. Any change or modification hereof must be in writing signed by both parties and attached to this Agreement as an Addendum.
21. **WAIVER:** The waiver by Lessor of any covenant or condition of this Agreement shall not thereafter preclude Lessor from demanding performance in accordance with the terms hereof.
22. **SUCCESSORS BOUND:** This agreement shall be binding upon and inure to the benefit of the heirs, legal representatives, successors and assigns of the Lessee.
23. **SEVERABILITY:** If a provision hereof shall be finally declared void or illegal by any court or administrative agency having jurisdiction over the parties to this Agreement, the entire Agreement shall not become void, but the remaining provisions shall continue: in effect as nearly as possible in accordance with the original intent of parties

IN WITNESS WHERE OF, the parties have executed this Agreement as of the day and year first above written.

City of Delphi, Delphi Municipal Airport

BY: _____

President of Airport Board

Attested: _____

Delphi City Clerk-Treasurer

Lessee

DATED: _____