
**HUNTINGTON MUNICIPAL AIRPORT
HANGAR LEASE AGREEMENT**

This Hangar Lease Agreement ("Lease") is made this ____ day of _____, 20__ by and between the **Department of Aviation of the City of Huntington, Indiana d/b/a Huntington Municipal Airport, by its Board of Aviation Commissioners** ("Lessor"), and _____, of _____ County, _____ ("Lessee").

Lease is on the following terms and conditions:

1. Premises.

- 1.1** Lessor leases to Lessee, and Lessee leases from Lessor, the following described premises, which shall be referred to herein as "Premises":

HANGAR LOCATION # _____

- 1.2** Lessor also grants to Lessee, together with and subject to the same grants granted from time to time by Lessor to other lessees and occupants of airport, the right to use the common areas adjoining the building of which Premises is a part; provided, however, that all airport roads for ground vehicles and all taxiways for aircraft shall be kept free and open for ingress and egress at all times. Vehicles shall not be parked on airport roads, taxiways, or Premises which in any manner interferes with or prevents the maneuvering of ground vehicles or aircraft making use of the airport.

- 2. Term and Automatic Renewal.** The term of Lease shall commence on _____, 20__ and end on _____, 20__ ("Term"). Term shall automatically renew for an additional __ () month Term on the anniversary date of each successive Term expiration unless Lessor or Lessee gives written notice to the other Party of its intent to terminate Lease, which shall be given no less than thirty (30) days prior to the expiration of the then current Term. If Lease is extended beyond Term, the monthly rent shall be determined in accordance with paragraph three (3) herein.

3. Rent, Manner of Payment, and Rent Increases.

- 3.1** Lessee shall pay rent to Lessor for Term and any successive Term in a monthly amount based on Premises' designation as a(n) _____ and in

accordance with the rate sheet which is attached hereto and incorporated herein as Exhibit "A", as may be amended ("Rate Sheet"). Rent shall be paid by Lessee to Lessor beginning on _____ 1, 20__ and continuing on the 1st day of each consecutive month thereafter for Term or successive Term. If applicable, Premises is _____ square feet.

3.2 At Lessor's discretion, Lessor may adjust Rate Sheet and associated monthly rental payment to be paid by Lessee ("Rate Sheet Adjustment"). If Lessor elects to modify Rate Sheet, Rate Sheet Adjustment shall be based on the rate of the Consumer Price Index (CPI) published by the Bureau of Labor Statistics of the United States Department of Labor as of December 31 of the most previous calendar year. If adjusted, Lessee shall be notified of the amended Rate Sheet by March 1 of the current Term, with the new monthly rate effective April 1 of the current Term.

3.3 Rental payments shall be made to Lessor at the address provided for herein, or at such other address as Lessor designates in writing.

4. Use of Premises. Premises shall be defined as _____ and Lessee _____ operate an Aeronautical Commercial Entity. Lessee _____ have aircraft based on the field. Lessee shall not use or permit the use of Premises for any unlawful purpose or in violation of any ordinance, statute, rule, law, order, or regulation of any governmental or regulatory authority. Lessee shall not permit any waste or misuse of Premises. Lessee shall not permit any noise or odor that is not commonly associated with its trade or business activity to escape or be emitted from Premises. Lessee shall not permit or create a nuisance or disturb Lessor, any other tenant on the airport grounds, or occupants of neighboring properties. So long as Lessee is not in default under Lease, Lessee shall be entitled to peaceably possess, hold, control, and enjoy Premises for Term.

5. Lessee Accepts Premises. Lessee has inspected Premises and is satisfied with its physical condition. Lessee taking possession of Premises shall be conclusive evidence of receipt thereof in good order and repair. Lessee acknowledges that neither Lessor nor any of its agents has made any representations as to the condition or state of repair of Premises or made any agreements or promises to repair or improve it either before or after execution of Lease, except as expressly provided for herein.

6. Utility Services.

6.1 For whole hangar leases only, the payment for all services and utilities for Premises shall be the sole responsibility of Lessee beginning at Term. Each hangar is separately metered and shall remain in the name of the airport. Lessor shall provide Lessee with a copy of monthly billing statements for utility services for each billing period and Lessee shall remit payment for said utility services to Lessor within fifteen (15) days after receipt of same. For whole hangar leases only, Lessee, at Lessee's sole expense, shall be responsible for all trash and waste removal from and in connection with Premises.

6.2 The cost of utility services for Premises and the cost of all trash and waste removal from and in connection with Premises shall be included in payment of rent for community hangar and T-hangar rentals.

6.3 Lessor, in Lessor's reasonable discretion, reserves the right to suspend service of heating, plumbing, electrical, air conditioning, or other mechanical systems in Premises, in addition to snow removal and maintenance of any common areas, when necessary by reason of governmental regulations, civil connotation or riot, accident or emergency, or for repairs, alterations, or improvements which are desirable or necessary due to weather or events beyond the control of Lessor.

7. **Common Areas.** The common areas of the airport shall at all times be subject to the exclusive control and management of the City of Huntington. Lessor shall have the right to establish, modify, and enforce rules and regulations with regard to common areas pursuant to its Management Agreement with the City of Huntington, and with the approval of the Huntington Board of Aviation Commissioners.

8. **Parking.** Parking is not assigned. However, Lessor has designated certain areas on the airport grounds for Lessees and their invitees. Lessee and its employees shall park their vehicles only in those portions of the parking area designated for that purpose by Lessor. Any abuse of this system may result in assigned parking by Lessor for certain parking spaces. As a security measure to benefit all users of the airport, Lessee shall furnish Lessor with automobile license plate numbers of Lessee's vehicle and the vehicles of its employees within five (5) days of a request by Lessor therefor, and shall notify Lessor of any change within five (5) days of the date any changes occur.

9. **Repairs, Maintenance, and Inspection.**

9.1 Lessor, at Lessor's sole expense, shall be responsible for incidental repairs and/or damage due to wear and tear of Premises (except to the extent damaged by Lessee and for Lessee's failure to comply with applicable statutes, rules, and ordinances). Lessor shall be responsible for maintaining the parking and drive areas, except as provided herein. The City of Huntington shall maintain in good condition and repair the structural elements affecting Premises (roof, exterior walls, foundation, and structural frames). It is the obligation of Lessee to continuously make inspection of Premises, and any improvements or fixtures located thereon, and notify Lessor of any defective condition.

9.2 Lessee, at Lessee's sole expense, shall keep Premises in a clean condition and make all repairs (except such repairs as are Lessor's obligation) which are necessary to maintain Premises in a clean condition. Repair of damage incurred as a result of Lessee's negligent action or willful misconduct shall be Lessee's sole responsibility. Lessee shall comply with all statutes, rules, and ordinances concerning the maintenance and repair of Premises. If Lessee fails to perform its obligations under Lease, Lessor or its agents may perform such obligations on behalf of Lessee and Lessee shall pay lessor, upon demand, the expenses which Lessor incurred in performing Lessee's obligations.

9.3 Lessee shall surrender Premises on termination of occupancy in the same condition as it was at the beginning of Term, reasonable wear and tear excepted, and shall remove property from Premises. Failure to remove property from Premises within seven (7) days of the end of occupancy shall result in property being deemed abandoned by Lessee.

9.4 Lessor shall not be liable or responsible to Lessee in any manner for any loss, damage, or expense which Lessee may sustain or incur due to conditions beyond Lessor's control.

9.5 Lessor, its agents, and the City of Huntington reserve the right to enter Premises for the purposes of repair, maintenance, or inspection, or to exhibit Premises to actual or prospective purchasers or lessees. Such entry shall only be made at reasonable times, provided that Lessor or any duly authorized agent of Lessor may enter at any time in an emergency or in the event of surrender and abandonment of Premises by Lessee.

10. Alterations.

10.1 Lessee shall not make or permit any alterations, installations, or additions upon any part of Premises, including but not limited to, signs, window screens, shades, plastic coverings, or drapes, without first obtaining the written consent of Lessor. Lessor reserves the right to specifically approve the content, color, size, number, and placement of any approved exterior signs on Premises. Lessor agrees to work with Lessee on all signage issues, but the Parties acknowledge that signage may also be limited by ordinances, statutes, and regulations. All alterations, installations, and additions to Premises shall be made in accordance with all applicable laws and shall remain for the benefit of Lessor (without compensation, allowance, or credit to Lessee) unless removal at expiration of Lease and restoration of Premises to its original condition is provided in the written consent approving the alteration, installation, or addition. If removal is permitted, Lessee shall repair any damage to Premises caused by Lessee or Lessee's agents removing such property.

10.2 Lessee shall indemnify and hold harmless Lessor and the City of Huntington from all cost, loss, or expense associated with any alteration, installation, or addition. Specifically, Lessee shall protect, indemnify, and save Lessor and the City of Huntington harmless against any lien for labor or materials furnished, any claim which any subcontractor, equipment lessor, journeymen, or laborer may have under law against an owner of real property for services, material, or machinery, or any liability for personal injury or damage to property associated in any way with any alteration, installation, or addition. Lessor may also require Lessee to furnish security, insurance, or other assurances as Lessor may reasonably require to protect Lessor against liens, claims, and liabilities, and to assure that all work will be performed in a lawful and workmanlike manner and with proper materials.

11. Insurance. Lessee shall provide Lessor with at least ten (10) days' prior written notice of any modification, termination, or expiration of insurance coverage.

11.1 If applicable, Lessee shall at all times maintain Hangar Keeper's insurance for operations at, in, and near Premises in an amount appropriate to the conduct of activities that are a part of Lessee's typical business and as approved by Lessor. That insurance shall be endorsed to protect the interests of Lessee and Lessor, and proof of such shall be delivered to Lessor. Such insurance shall include Lessor and the City of Huntington as additional interests.

11.2 Lessee shall at all times maintain liability, property damage, and workers' compensation, if applicable, insurance against loss, cost, and expenses by reason of injury to or the death of persons, or damage to or the destruction of property arising out of or in connection with the occupancy or use of Premises by Lessee and the outside areas immediately adjoining Premises. Lessee assumes all responsibility for damage to persons and property arising from the use and control of Premises, and shall indemnify and hold Lessor and the City of Huntington harmless to the full extent of those damages, including attorneys' fees. Lessee shall insure that exposure by carrying liability insurance in an amount not less than \$1,000,000 per occurrence and property damage liability coverage of not less than \$100,000 per occurrence. Such insurance shall include Lessor and the City of Huntington as additional interests.

11.3 Lessee shall not carry any stock of goods and shall not do or not do something in Premises that would in any way increase the insurance rates on the building as a whole. If Lessor's insurance rates do increase due to an act or omission of Lessee, Lessee shall pay to Lessor upon demand the entire amount of any increase in fire and extended coverage insurance premiums that may be charged on the insurance carried by the City of Huntington on Premises. In the event of a dispute with regard to payment of any such increase in insurance premiums, a schedule or statement from the company providing the insurance coverage containing the reason or reasons for such premium increase shall be deemed conclusive.

12. Mutual Waiver of Subrogation. Lessor and Lessee hereby expressly waive any and all claims against each other for loss or damage to fire or the perils, risks, or hazards ordinarily insured against by the Indiana standard form of Fire Insurance Policy with Extended Coverage Endorsement, regardless of if the loss or damage was a result of the negligence of the respective Parties, their agents, servants, employees, or invitees.

13. Assignment and Sublease. Lessee shall not assign, transfer, or otherwise dispose of Lease or any part of Lease, mortgage the same, or sublet Premises or any part thereof without the written consent of Lessor. Any assignment, transfer, disposal, mortgage, or subletting without said written consent shall give Lessor the right to terminate Lease and to re-enter and repossess Premises. No such assignment, transfer, disposal, mortgage, or sublease shall relieve Lessee of its obligations under Lease. Consent by Lessor to one assignment, transfer, disposal, mortgage, or sublease shall not be deemed to be consent to any subsequent assignment, transfer, disposal, mortgage, or sublease.

14. Hazardous Substances.

14.1 Lessee shall not cause or permit by its licensees and invitees the contamination of Premises or any surrounding properties by any substance defined as toxic pollutants and hazardous substances by the United States Environmental Protection Agency or any other governmental agencies having jurisdiction over Premises and the building wherein Premises is located ("Hazardous Substances"). The Parties agree and understand that Lessee is engaged in a business activity which involves aircraft and fuel and that there are hazards associated with fueling and de-fueling aircraft, but Lessee shall at all times utilize practices that are accepted in this industry as safe and permissible. In the event of a need for cleanup or removal of such contamination, Lessee shall immediately pay for and cause such removal in accordance with the directives and requirements of all governmental agencies having jurisdiction thereof.

14.2 Lessee agrees to indemnify and hold Lessor and the City of Huntington harmless against any liabilities, costs, and expenses, including attorneys' fees, arising out of any contamination, leak, seepage, or emission of Hazardous Substances from Premises by Lessee, its licensees, invitees, or employees. This indemnification shall survive the termination of Lease.

14.3 Lessor agrees to indemnify and hold harmless Lessee from any liability, cost, or expense arising out of any contamination of Premises with Hazardous Substances occurring prior to Lessee's occupation of Premises or occurring without fault of Lessee.

15. Events of Default by Lessee. Each of the following shall be deemed to constitute a default by Lessee:

15.1 Failure to pay rent on or before the date due as provided for herein;

15.2 Failure to pay any additional rent, costs, or expenses when due as provided for herein;

15.3 Failure to observe or perform any other provision of Lease for ten (10) days after Lessor has given written notice to Lessee of the nature of Lessee's failure;

15.4 Lessee abandons, quits, or vacates Premises;

15.5 Lessee files a petition in bankruptcy or for an arrangement under any present or future federal or state bankruptcy law, is adjudicated bankrupt or insolvent, makes an assignment for the benefit of creditors, or admits in writing its inability to pay debts when they become due;

15.6 The appointment of a receiver or trustee for Lessee or its assets if such receivership has not been vacated or set aside within thirty (30) days from the date of such appointment;

15.7 Any activity of Lessee which causes the cancellation of insurance coverage on Premises;

15.8 The dissolution or termination of Lessee's corporate charter; or

15.9 The interest of Lessee under Lease is ordered sold under execution or the legal process.

16. **Remedies of Lessor for Lessee's Default.** If a default by Lessee has occurred under Lease, Lessor has the following remedies:

16.1 The right to re-enter and repossess Premises, and to remove all persons and property from Premises in a lawful manner. Re-entry shall not be deemed an acceptance of the surrender of Lease or a satisfaction of Lessee's obligation to pay rent as provided herein or any other obligations of Lessee hereunder;

16.2 The right to give Lessee notice of Lessor's termination of Lease as of a date specified in the notice, the date not to be earlier than the date of the notice;

16.3 The right to advance money or make any expenditure to cure any default of Lessee other than default in the payment of rent; and

16.4 The right to collect from Lessee by any lawful means any amount or amounts due under Lease.

17. **Default by Lessor.** A default by Lessor will have occurred under Lease if Landlord fails to observe any obligation imposed upon Lessor by Lease for thirty (30) days after Lessee has given Lessor notice of the nature of Lessor's failure. In the event of default by Lessor, Lease shall terminate at the option of Lessee. In the event Lessee elects to terminate Lease under this provision, Lessee may remove its personal property and equipment if said removal does not damage Premises, and Lessee shall not be liable for any damage resulting from termination of Lease or any additional rent thereafter. Lessee shall also be entitled to return of any security deposit.

18. **Provisions Applicable to Defaults and Remedies.**

18.1 Failure or omission of either Party to exercise any remedy shall not constitute a waiver of a remedy upon any subsequent default. No right or remedy of either Party shall be exclusive of any other right or remedy and each and every right or remedy shall be cumulative and in addition to any other right or remedy given by Lease or at law or in equity. Should Lessor terminate Lease and make efforts to recover any monies due under Lease for an entire lease Term, Landlord shall make reasonable efforts to mitigate damages. Lessor is entitled to recover its reasonable attorney fees, costs, and expenses incurred by reason of exercising its remedies under Lease.

18.2 Notice by one Party of the nature of the other Parties' failure to observe or perform an obligation shall specify the details of such failure to a reasonable degree so that the Party who has the obligation may reasonably understand its failure. If a default cannot, with diligence, be cured within the time provided by Lease, the Party whose obligation it is to cure may give the other Party notice of that fact and of appropriate details, and if the Party is proceeding with diligence and in good faith to cure the default, the time within which the failure may be cured may be extended for such period as may be needed to complete the curing in diligence and good faith if the non-defaulting Party will agree to said extension in writing.

19. Destruction or Severe Damage. In the event that Premises is destroyed by fire or other disaster insured under the fire and extended coverage insurance provided by Lessor or the City of Huntington so severely as to render it substantially unusable for its contemplated purpose, Lessor may, at its sole option, elect to either: (1) terminate Lease and all obligations of the Parties hereunder; or (2) make such repairs as are necessary to restore Premises to a tenantable condition. If Lessor elects to repair and restore Premises, and such repairs cannot be completed within one hundred twenty (120) days after the date of damage or destruction, then Lessee may, upon thirty (30) days' written notice to the other Party, terminate and cancel Lease and all obligations hereunder shall cease and terminate. Rent or a portion of rent (based on unusable square footage) shall abate during the time that Premises or part thereof is unusable by reason of any such damage thereto. Any proceeds from the fire and extended coverage insurance policies not utilized by Lessor in restoring or repairing Premises shall be and remain the sole property of Lessor or the City of Huntington, to be determined between them.

20. Unusable for Anticipated Purpose and Condemnation.

20.1 If for any reason the City of Huntington shall determine that it will no longer operate the airport and Premises becomes unusable for its leased purpose, Lease may be terminated by Lessee by written notice to Lessor within fifteen (15) days after such determination is made by the City of Huntington. Lessee shall have no claim against Lessor or the City of Huntington for the value of any unexpired lease if such a determination is made.

20.2 Lessee shall have no claim against Lessor or the City of Huntington if Premises is taken by eminent domain. Any damages awarded shall be the sole property of Lessor, though Lessee may be entitled to an award for the cost of the removal of Lessee's stock, equipment, and fixtures; that portion of the award attributable to leasehold improvements made by Lessee; other damages recovered by Lessee for any interest to which it is entitled to compensation under and pursuant to the laws of Indiana; and any relocation assistance Lessee may receive from the claiming government agency for the moving of Lessee's business to a suitable and similar location.

21. Time. Time is of the essence in Lease. The Parties shall have the right to treat all time deadlines contained in Lease as material and to terminate Lease or exercise such other remedies as may be provided in Lease in the event such time deadlines are not met.

22. **Notice.** Any notice to a Party shall be sufficient if it is in writing and personally delivered or sent by certified mail, postage prepaid, and properly addressed to Lessor at **City of Huntington, Indiana, Huntington Municipal Airport and Board of Aviation Commissioners, 1365 Warren Road, Huntington, Indiana 46750** and/or to Lessee at _____, or at such other address as Lessor or Lessee may notify the other of in writing.

23. **Successors-in-Interest.** Lease shall be binding on the Parties, their legal representatives, and their successors-in-interest.

24. **Waiver.** No waiver of any covenant, condition, or the breach of any covenant or condition of Lease shall be taken to constitute a waiver to exercise rights on subsequent breaches or defaults. The acceptance of rent by Lessor at any time when Lessee is in default of any covenant or condition shall not be construed as a waiver of such default.

25. **Modification.** No amendments, modifications, alterations, or additions to Lease shall be binding unless made in writing and signed by the Parties.

26. **Severability.** In case any provision in Lease shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby and such provisions shall be ineffective only to the extent of such invalidity, illegality, or unenforceability.

27. **Governing Law.** Lease shall be construed in accordance with, and governed by the laws of the State of Indiana.

28. **Entire Agreement.** Lease constitutes the entire understanding between Lessor and Lessee regarding Premises, and any previous agreements or negotiations either in writing or verbal, shall be of no force and effect. This includes, but is not limited to, the _____ entered into as of _____ between Lessee and Lessor.

IN WITNESS WHEREOF, the Parties hereto have executed this Lease as of the date first written above.

[Signature Page Follows]

Lessee:

Lessor:

Department of Aviation of the City of
Huntington, Indiana d/b/a
Huntington Municipal Airport, by its
Board of Aviation Commissioners

(Signature)

By: _____ as its
President

(Printed Name)

Member of Board

This Instrument prepared by Kathryn S. Garrett, Attorney at Law, DeLANEY HARTBURG ROTH & GARROTT LLP, 533 Warren Street, P.O. Box 269, Huntington, IN 46750-0269, Telephone (260) 356-4100, as attorneys for Lessor.

I, Kathryn S. Garrett, affirm, under the penalties for perjury, that I have taken reasonable care to redact each Social Security Number in this document, unless required by law.