



Georgia Department of Transportation



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Managing and Leasing Aircraft Hangars

Best Practices for Public Use Airports in Georgia

Contents

Overview	3
Hangar Uses	4
Hangar and Ground Leases	6
Federally Recognized Lease Considerations and Provisions	6
Hangar Lease Agreements	8
Hangar Ground Lease Agreements	9
Lease Considerations	11
Rates and Charges	11
Length of Leases	12
Reversionary Clauses	13
Maintaining Hangar	
Waiting Lists	15
Hangar Inspections	17
Summary	18
Guidance and Resources	19
Appendices	20
APPENDIX I - Airport Hangar Lease Agreement Template	A1-1
APPENDIX II - Airport Building and Land Lease Agreement	A2-1
APPENDIX III - Hangar Waiting List Policy and Application Template	A3-1
APPENDIX IV - Hangar Inspection Policy Template	A4-1
APPENDIX V - Hangar Compliance Inspection Checklist Template	A5-1

Overview

Aircraft hangars provide a range of services and benefits for airports, tenant companies, business travelers and communities.

Hangars benefit airport customers by protecting valuable assets, extending aircraft longevity and preserving re-sale value. Airports benefit from the opportunity to increase their revenue streams and support financial self-sustainability through hangar rental fees and additional sales of fuel and services. While hangars are being constructed, they support jobs, payroll and spending for local purchases of construction materials.

Communities benefit from ad valorem taxes paid by aircraft based at the airport and the jobs, business revenues, taxes paid by hangar-related businesses and property taxes on privately constructed hangars. The state benefits from state sales taxes paid by companies that construct hangars, as well as those that operate businesses related to hangars.

Effective management and leasing practices can provide a solid foundation for airports to extend the benefits hangars offer while ensuring compliance with Federal Aviation Administration (FAA) regulations and policies.

Public airports that receive federal funding from FAA are obligated by federal grant assurances to follow regulations and policies that include renting hangar space at fair and reasonable rates, nondiscrimination in allocation of hangar space, using hangars for aeronautical purposes

Effective management and leasing practices help airports maximize the benefits hangars offer while ensuring compliance with Federal Aviation Administration regulations and policies.

and maintaining hangars in a safe and serviceable condition.

Georgia is an FAA Block Grant State. As a block grant state, the Georgia Department of Transportation (GDOT) assumes FAA responsibilities for general aviation airports. The state enforces federal grant assurances discussed later in this guide. GDOT reviews, comments and makes determinations on lease matters at the state's non-primary airports, otherwise known as general aviation airports. GDOT does not have this same responsibility at the state's eight primary airports, known as commercial service airports, with airline service. FAA retains these responsibilities.

GDOT offers this guidebook to provide guidance and best practices for hangar leasing, maintaining hangar waiting lists and inspecting hangars to ensure aeronautical use. The guidebook is developed to assist Georgia's publicly funded airports in understanding their obligations and managing their hangars to the benefit of their airport, users, communities and the federal and state airport system. For any questions regarding hangars at your airport, contact your assigned GDOT Aviation Project Manager or email aviationprograms@dot.ga.gov

Hangar Uses

The Federal Aviation Administration on June 15, 2016, published a *Federal Register* notice updating the agency's final policy related to non-aeronautical use of airport hangars and clarifying its position regarding permitted and prohibited uses of airport hangars. FAA intends for aircraft hangars at federally obligated airports to be used for aeronautical purposes, primarily for aircraft storage. To that end, the FAA charges airport sponsors (owners) with managing hangar spaces and leases in a manner that prevents unauthorized non-aeronautical use and minimizes waiting lists for hangar space.

Permissible hangar uses in accordance with this policy are:

- Storage of active aircraft
- Shelter for maintenance and repair of aircraft
- Construction of amateur or kit aircraft
- Storage of equipment for handling stored aircraft and tools and materials to service and maintain them
- Storage of materials related to an aeronautical activity such as ballooning and skydiving equipment, teaching tools and non-aeronautical items such as furniture that do not interfere with the primary aeronautical purpose of the hangar
- A vehicle parked at the hangar while the stored aircraft is in flight

GDOT and FAA approvals are required for all non-aeronautical use hangar leases.

FAA policy does not permit hangars to be used for the following:

- As a residence
- Non-aeronautical businesses or municipal agency functions, or for storing vehicles other than aircraft without prior FAA permission
- Activities that interfere with aircraft movement in and out of the hangar
- Long-term storage of derelict aircraft and parts
- Storage of fuel or hazardous materials
- Non-aeronautical inventory or equipment
- Illegal activities or storage of illegal items





FAA’s policy now recognizes unmanned aerial systems (UAS) and amateur-built aircraft construction as aeronautical activities, which requires airport sponsors to accommodate them without unjust discrimination. This includes allowing UAS operators and amateur aircraft constructors to rent hangars in accordance with airport rules and regulations and minimum standards. These regulations and standards should be amended as necessary to provide for the safe integration of UAS in the airport environment. Additionally, airports should consider establishing progress benchmarks for aircraft construction to ensure projects are completed in a reasonable time.

FAA permits federally obligated airports, bound by grant assurances, to lease hangar space at fair market value for non-aeronautical purposes on a month-to-month or interim, three-to-five-

year basis, only when there is no aeronautical demand. GDOT and FAA approval is required for non-aeronautical leases and priority consideration must be given to requests for aeronautical uses, if and when they arise. Airports considering leasing a hangar for non-aeronautical purposes should contact their GDOT Project Manager to initiate the FAA approval process.

For additional information on FAA’s hangar use policy, visit the FAA’s website to review the following documents:

- [Policy on the Non-Aeronautical Use of Airport Hangars](#), Federal Register, Vol. 81, No. 114 June 15, 2016
- [Frequently Asked Questions & Answers On FAA Policy on Use of Hangars at Obligated Airports](#), Federal Aviation Administration website

Hangar and Ground Leases

Airports offer two types of leases. The first is the lease of a hangar owned by the airport. The second is a ground lease to tenants that construct their own hangar and then occupy or sublease it, with the hangar typically reverting to the airport at the end of the lease term.

When leasing hangar facilities or when considering entering into a ground lease agreement, airports should ensure lease terms and conditions are compatible with the airport's long-term plans for development, support financial sustainability and comply with federal grant obligations.

Airports should next review their federal obligations. All airports accepting federal funds are contractually obligated to follow FAA regulations and policies when entering into lease agreements. These contractual federal obligations, contained in statutes, policies and grant assurances, aim to protect the public interest in civil aviation and ensure airport operations comply with federal statutes.

BEST PRACTICE 1

When leasing hangar facilities, airports should ensure lease terms are compatible with the airport's long-term plans, support financial sustainability and comply with federal obligations.

Federally Recognized Lease Considerations and Provisions

A current review of FAA regulations and guidance identifies the following areas that should be addressed in all lease documents:

- **Use** – The Use provision should clearly state the authorized uses of the rented hangar or ground lease parcel. For aeronautical leases, the use provision may also prohibit specific activities such as storage of non-aviation related materials that would interfere with aeronautical use of a hangar or parcel. Any lease of a hangar for non-aeronautical use that has been



pre-approved by GDOT/FAA must include a clause granting the airport sponsor the right to terminate the lease, at its sole discretion, if the hangar is needed for aeronautical use.

- **Premises** – The premises should be defined as a specific hangar or parcel that is described within a ground lease. The airport must only lease hangars and/or land that a tenant can reasonably use. Airports must not grant options or rights of first refusal to tenants for airport hangars or property not immediately required for use. Exclusive rights such as options and rights of refusal allow a tenant to potentially control a majority of developable aeronautical property at the airport. Exclusive rights are further defined by FAA in *Grant Assurance 23, Exclusive Rights*. For ground leases, the airport sponsor should specify a timeframe by which construction of new improvements must be complete.
- **Rents** – *Grant Assurance 24, Fee and Rental Structure*, specifically calls for rental rates that contribute to financial sustainability of the airport. Rent payments must be periodically adjusted and assessed on a reasonable basis through an appraisal or other documented method deemed appropriate by the airport sponsor. Escalation of lease fees should be accomplished every one to three years but should never exceed five years in duration between escalation.
- **Rights and Obligations** – The lease must not grant a tenant an explicit or implied exclusive right to conduct an aeronautical business or activity at the airport. The lease should clearly identify the stated purpose of the lease, e.g.,

noncommercial storage of owner’s aircraft. The lease must require any use of the hangar to be in compliance with airport rules/regulations and minimum standards and approved by the airport sponsor.

- **Term** – The term of a ground lease must not exceed a period of years that is reasonably necessary to amortize a tenants investment and provide a reasonable rate of return. Leases must not contain terms that are in excess of 50 years. Any lease terms allowing options to renew must contain provisions for a corresponding increase in rental rates.
- **Economic Nondiscrimination** – Language must be inserted in ground leases with lessees or developers that address the provisions of *Grant Assurance 22, Economic Nondiscrimination*. This language must require the tenant to “furnish their services on a reasonable, and not unjustly discriminatory, basis to all users and charge reasonable, and not unjustly discriminatory, prices for each unit or service, provided that the aeronautical service provider may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.”
- **Title** – For ground leases, FAA recommends the title to tenant facilities vest in or revert to the airport sponsor at the expiration of the lease. Additionally, after the facility has been vested with the airport sponsor, lease provisions should be included to address increased rent for the facility. If a reversionary clause is not utilized within the ground lease, the lessee should be responsible for all costs to return the leased parcel to its original condition.

- **Subordination** – FAA requires leases be subordinated to the sponsor’s federal obligations such that tenant activity does not cause the sponsor to violate its federal obligations. Sponsors may also subordinate its interest in a tenant lease to a mortgage or financing company to make it possible for a tenant to finance hangar development.
- **Assignment and Subletting** – Leases should contain language requiring any assignment or sublease by the tenant to be approved, in writing, in advance by the airport sponsor. This allows the airport sponsor to ensure all lease uses and transactions are consistent with federal guidelines and local airport rules and regulations and minimum standards.
- **Preserving Rights and Powers** - Grant Assurance 5, *Preserving Rights and Powers*, requires airports to protect their ability to carry out the terms and conditions of all FAA grant assurances. Airport sponsors must take care to ensure that no lease provisions or constructed improvements adversely impact an airport’s ability to comply with FAA’s grant assurances.

Airports should review their hangar leasing documents annually with the assistance of their legal counsel. This review, ensuring leasing documents remain compliant with all federal, state and local regulations, is also an opportunity to make adjustments for any unique circumstances that may arise.

Additional information on FAA’s grant assurance policies on aeronautical lease agreements can be founded on the FAA webpages:

- [FAA Grant Assurances for Airport Sponsors](#)

- Chapter 12: Review of Airport Lease Agreements, [FAA Airport Compliance Manual Order 5190.6B, Change 3](#)

Hangar Lease Agreements

Standard airport hangar and ground lease agreements commonly contain the same basic elements, with lease rates varying to accommodate the type, size and amenities of hangars and the needs and uses by tenants.

Hangar leases should contain provisions that address the needs and desires of the airport for its long-term plans, specify requirements, provisions or prohibitions for certain activities and actions, and ensure compliance with federal obligations.

Key hangar lease elements include:

- Owner (Lessor) and tenant (Lessee) names and contact information
- Start and end date of lease
- Terms of lease
- Charges and fees (rent, deposit, taxes, late fees, etc.) with escalation clause
- Method and timing of payment
- Details of aircraft to be stored and aircraft owner contact information
- Notifications for changes to aircraft stored
- Terms of surrender of hangar to airport
- Expectations for condition of hangar, alterations and repairs
- Right of entry and inspection
- Allowable uses
- Non-aeronautical use
- Assignment and subletting
- Local, state and federal compliance requirements
- Control of access
- Insurance
- Indemnification

- Subordination of airport sponsor’s federal obligations
- No exclusive rights
- Termination
- Default
- Attorney fees
- Governance

Hangar Ground Lease Agreements

Airports seeking to lease airport property to tenants who build their own hangars should require perspective tenants to detail their plans on a [Form FAA 7460-1 – Notice of Proposed Construction or Alternation](#), available from the FAA website at www.faa.gov. Additionally, the airport should consider going through a due-diligence process to understand how the hangar will be financed and the ability of the tenant to

support the construction financially.

Once the airport sponsor and tenant agree on the plan, the airport can submit the FAA Form 7460-1 and plans for the hangar to GDOT for review and submittal to FAA to obtain an airspace determination letter. FAA requires the 7460-1 form be submitted at least 45 days before the earlier of the commencement of construction or an application for construction is filed.

Airports should also require prospective tenants to provide all necessary development paperwork for local permits and insurance or bonding information to ensure local building requirements are met. Following receipt of an FAA airspace determination, the airport may then proceed to enter into a lease agreement with the tenant.



General terms and specific lease requirements should include at a minimum:

- Premises
- Allowable uses
- Term
- Rent, fees and charges with escalation clause
- Security for payment
- Reversionary interest
- Expectations for condition of hangar at reversion
- Taxes, permits and licenses
- Obligations of lessee
- Maintenance and repair
- Escrow for maintenance and repair
- Leasehold improvements
- Assignment and subletting
- Construction lien
- Mortgage rights of lessee
- Utilities
- Signs
- Ingress and egress
- Default and termination rights of lessor
- Insurance
- Indemnification
- Compliance with laws, regulations, ordinances and rules
- Environmental regulations
- Federal storm water regulations
- Environmental inspection
- Fuel storage tanks
- FAA approval and requirements
- Americans with Disabilities Act provisions
- Nondiscrimination
- Rights reserved to lessor
- Right to entry and inspection
- Right of flight
- Airport noise
- Property rights reserved
- Quiet enjoyment
- Eminent domain
- Economic non-discrimination
- Subordination of airport sponsor's federal obligation
- Subordination of bond resolution
- Federal right to reclaim
- Force majeure
- Default
- Surrender of premises
- Title to improvements
- No acceptance of surrender
- No exclusive rights
- Personal property
- Corporate tenancy
- Applicable law and venue
- Attorney's fees and costs
- Invalidity of clauses
- Notices and communications
- Relationship of the parties
- Survey and legal description

Appendices I and II contain sample hangar and ground lease agreements. The documents are based on the Airport Cooperative Research Program's [Guidebook for Developing and Leasing Airport Property](#), published FAA guidance documents and a review of airport leases in use across the county.

Lease Considerations

Rates and Charges

All airports should maintain a formally adopted rates and charges schedule or policy that includes fees for hangars and ground leases or document how these fees are developed. Again, FAA Grant Assurance 24, *Fee and Rental Structure*, encourages federally obligated airports to maintain a fee and rental structure that supports self-sustainability, while *Grant Assurance 22, Economic Nondiscrimination*, charges airports with setting rates that are reasonable. In general, the reasonableness requirement takes precedence over the self-sustaining obligation when setting rates for aeronautical users. Although fees for hangars may be set at a rate that is between cost and fair market value, airport sponsors should strive to establish and charge fair market value rates. This supports the financial health of the airport and aids in managing hangar waiting lists.

Airports are free to use their own methods for setting rates and charges. In FAA's [Policy Regarding Airport Rates and Charges](#), published in the Federal Register in 2013, FAA affirms its position that the setting of rates and charges is best addressed at the local level.

Industry guidance from ACRP 2020 Research Report 213, [Estimating Market Value and Establishing Market Rent at Small Airports](#), recommends airports begin with an appraisal to determine the base value of the airport's land and facilities. Airports should utilize the services of a licensed appraiser that understands the

BEST PRACTICE 2

Airports should maintain adequate documentation to support the basis for all rates and charges determinations.

unique challenges of valuing federally obligated airport land and improvements.

As described in the ACRP research report, appraisal valuation approaches generally follow three industry standards, which include the cost approach, sales comparison approach and income approach.

- The cost approach considers the current cost of replacing the building and improvements on a property, less depreciation, plus the market value of the leasehold land assumed vacant.
- The sales comparison approach directly compares properties that have sold in the same or similar markets. Adjustments are made for differences in the comparable properties and the adjusted sales are weighted to provide an indication of value.
- The income approach is based on an estimate of the property's possible net income and measures the present worth of anticipated future benefits. Net income is capitalized to provide an indication of value, which converts the investment into present value. This allows for the airport's recapture of invested capital.

BEST PRACTICE 3

Include annual adjustments to rental rates based on the Consumer Price Index or other inflationary index.

According to the report, the income approach is the most preferred method for establishing the fair market value of airport properties. The market valuation from the appraisal, along with a reasonable rate of return, is used to establish market rent. Rates of return can vary from 3% to 15%, with 10% being the most common.

Factors that should be considered in determining an appropriate rate of return include but are not limited to size, complexity and activity at the airport, use of the property for aeronautical versus non-aeronautical activities, use of the property for commercial versus non-commercial purposes and current demand.

A comparable rent analysis is also an FAA-accepted method of determining market rent for aeronautical-use properties, including hangars. This analysis compares current rates at other comparable and competitive airports to serve as the basis for establishing market rental rates. When using this approach, it is critical to identify airports that are comparable in terms of similar airport infrastructure, including runway length and navigational aids, airport services and amenities, condition of facilities, access and level of activity.

Appraisals and rent analyses should be revisited regularly – at least every five years – to adjust base rates, as appropriate, considering economic and market conditions. In addition to periodically adjusting base rates, airport hangar leases should contain provisions for annual rent

adjustments that are tied to an inflationary index such as the Consumer Price Index.

It is essential for airports to charge fees for all services and facilities that are not only fair to users and tenants but also sufficient to cover the costs of operating the airport. It is recognized it can be a difficult task to establish a balance of rates and charges that align with the goals of airport self-sufficiency and fairness to users, while continuing to be competitive with market prices. Regardless of the method(s) used, airports should maintain adequate documentation to substantiate their basis for setting hangar rates and charges.

BEST PRACTICE 4

FAA accepts a comparable rent analysis of other like airports as a basis for setting hangar rental rates.

Length of Leases

Airport sponsors should give thoughtful consideration to the length of hangar leases to achieve long and short-term goals. Airport-owned hangars are typically leased on a month-to-month or annual basis. However, airports at their discretion can establish a lease term that is longer.

Establishing the length of ground leases for hangars is a more challenging task. Tenants constructing a hangar on airport leased property will require a minimum number of years to service any debt and recoup their investment. When setting the length of ground leases, airports should consider the amount of investment required to construct the hangar and improvements and the number of years required to amortize the investment.

BEST PRACTICE 5

Airport leases should not exceed 50 years and be consistent with any limitations imposed by state statutes and local ordinances.

FAA generally considers a reasonable length for a ground lease to be the number of years required to amortize the investment plus 10 years to provide a reasonable rate of return.

Leases written for a term in excess of 50 years are to be avoided and not condoned by FAA. FAA considers lease terms exceeding 50 years to be a disposal of airport property in that the term of the lease will likely exceed the useful life of the improvements. In addition to FAA's position on the length of leases, airport sponsors must also consider any leasing limitations imposed by state statutes or local ordinances.

Reversionary Clauses

Specific to ground leases for hangar construction is the consideration of reversionary clauses. Reversionary clauses address what happens to the hangar and improvements during the term of or at the termination of the lease.

In structuring these clauses, the two main considerations for an airport are to determine 1. if at the end of the lease they want the hangar removed and the site returned to its original condition or 2. do they want the ownership of the hangar and any improvements to revert to the airport. In choosing the latter, airports can begin charging higher rent for the hangar. FAA strongly encourages airports to include clauses to address reversionary interests in all lease agreements.

If an airport takes ownership of the hangar and any improvements, provisions should also be in-



cluded in the ground lease to ensure the hangar is in good and serviceable condition at the end of the lease term. These provisions can include requirements for a periodic condition assessment, typically performed every five years. The condition assessment should be conducted by a building inspector or licensed professional engineer to ensure the hangar is being maintained beyond what would be considered normal wear and tear and evaluate items including but not limited to the hangar's structural integrity, roof and electrical system. The assessment allows the airport to address any deficiencies with the lessee prior to the reversion and provides the airport with a marketable revenue generating asset after the reversion occurs.

Airport sponsors should also give consideration to requiring the lessee to establish an escrow account with monthly or annual deposits that will be used to defray the cost of periodic maintenance. The lessee would maintain the account during the term of the lease and provide reporting to the airport sponsor regarding escrow account balances and expenditures. In establishing the amount of escrow required, the airport sponsor should rely on its own reasonable estimate of the projected cost to maintain the hangar in good condition.

In GDOT's *2023 Hangar Inventory and Demand Analysis Study*, the pro forma of a 30-year hangar financing feasibility for a 16-unit T-hangar structure identifies approximately \$350/year in minor maintenance cost, \$30,000 during the term for pavement maintenance and \$30,000 for major repairs. With a lease term of 40 years, this equates to approximately \$2,000/year, or \$167/month, which should be escrowed to cover adequate maintenance and repair costs. Recognizing pavement maintenance and major

BEST PRACTICE 6

Two strategies for ensuring hangars are in good condition when they revert to the airport are periodic condition assessments and requiring tenants to escrow estimated costs for repairs and major maintenance.

repairs may not likely be needed until out years in the lease, airport sponsors can consider structuring a graduated scale of annual payments into the escrow account.

Maintaining Hangar Waiting Lists

Hangar demand continues to outpace supply across the country, making waiting lists inevitable for many airports. A 2021 survey by the Aircraft Owners and Pilots Association’s Airport Support Network found that 71% of the airports surveyed have a waiting list for their hangars. At airports with a waiting list, 72% of aircraft owners reported waiting from six months to more than two years to secure a hangar. GDOT’s own *2023 Hangar Inventory and Demand Analysis* study identifies a statewide need of more than 1,400 hangar spaces.

Sound management of hangars and hangar waiting lists is, thus, an operational imperative for publicly owned airports. Besides equitably managing the allocation of hangar space, effective hangar waiting list management can help the airport adequately plan for development to meet substantiated demand and avoid discriminatory practices that can lead to disputes where review or involvement is required.

Architectural and engineering firm Mead & Hunt, in an August 31, 2022, [white paper](#), offers 10 common sense strategies for optimizing hangar space and waitlists. These strategies encourage leasing to aircraft owners that use their aircraft regularly, so they will buy fuel and other maintenance services. They recommend appropriately assigning hangar spaces to maximize the use of available space. And they

Artificially low rents exacerbate the wait list problem, discourage private investment and keep airports from generating an airport-sustaining revenue stream.

encourage payment of non-refundable deposits to secure a space on the list, helping the airport identify serious committed customers.

The 10 recommended strategies are:

1. **Use it or lose it.** Require aircraft owners to occupy their leased hangars for a specified number of days each year, pointing owners to other options such as overnight hangars or fixed base operator spaces for owners with limited need for hangar space.
2. **Require annual inspections and insurance.** Aircraft owners who rarely fly and mostly store aircraft do not buy fuel or use maintenance services. Requiring inspections and insurance could be all they need to give up their space.
3. **Charge a healthy non-refundable deposit.** Deposits of \$250-\$1,000, non-refundable but applied to the first month’s rent, provide funds to cover the costs of managing waitlists.
4. **Sanitize the waitlist.** Contact those on the waitlist at least annually to assess their continued interest and ensure your demand is real.

5. **Right size aircraft to hangar spaces.** Smaller aircraft stored in larger hangars tie up space for larger aircraft at your airport. Include a provision in the hangar lease that allows moving aircraft to appropriately sized facilities.
6. **Manage non-aviation storage.** The FAA's [Policy on Use of Hangars at Obligated Airports](#) clarifies that facilities at airports that receive federal funds be used for aeronautical purposes to the extent possible. Airports are both within their rights and obligated to ensure tenants use hangars for aircraft and related items, not for other types of personal property.
7. **Be careful with multiple aircraft in a single hangar.** Airports with long waitlists for large box and executive hangars should avoid leasing those spaces for collections of smaller aircraft, steering smaller aircraft to T-hangars instead.
8. **Avoid waitlist line jumping without a public benefit.** Allowing friends and family to assume hangar leases will quickly create community ill will. Avoid allowing wait list line jumping unless there is a compelling safety and community benefit, such as leasing to a commercial charter or company that provides local jobs.
9. **Charge market rents.** Artificially low rents exacerbate the wait list problem, discourage private investment and keep airports from generating an airport-sustaining revenue stream.
10. **Prepare for economic downturns.** Recessions can clear waitlists quickly, as owners divest themselves of aircraft. Ensure your hangar lease plan anticipates how your airport will manage these periods.

Airports should consider adopting a formal hangar waiting list policy and hangar waiting list application or review current documents and update, as necessary.

Appendix III to this document contains sample policy and application documents that can be utilized or modified by airport sponsors. Appropriately managing airport hangar waiting lists allows the airport to identify the true need for additional hangars and aids in planning to meet the growing demand.

Hangar Inspections

Hangar inspections are a key component of successful hangar facility management. Not only do periodic inspections provide the ability for an airport sponsor to demonstrate compliance with FAA's hangar use policy, inspections ensure the contents of the hangars do not pose unknown safety hazards to persons or the airport and helps to confirm hangars are being adequately maintained.

BEST PRACTICE 7

FAA policy recommends a program to monitor use of hangars and eliminate unapproved aeronautical use.

As recommended by FAA, airports should formally adopt a hangar inspection policy. The policy should clearly outline acceptable and non-permissible uses, in accordance with federal requirements, of all airport and non-airport owned hangars. It should also include provisions that address general safety, fire safety and hangar maintenance.

The inspection policy provides an opportunity to detail how non-compliance with the policy or deficiencies noted in an inspection will be handled. Tenant appeal procedures should also be discussed. Airports should consider including their local jurisdiction's building inspector and fire marshal to assist in conducting the inspections. These individuals can provide specialized technical assistance to enhance the success of inspections.

BEST PRACTICE 8

Include local building inspectors and fire marshals to provide technical assistance when conducting hangar inspections.

Appendix IV to this document contains a sample Hangar Inspection Policy and Hangar Inspection Checklist Template. These documents can be utilized or modified by airport sponsors as appropriate to depict their specific needs and expectations.

Summary

Effective hangar management and leasing practices are critical for an airport to maintain compliance with FAA regulations and policies in a non-discriminatory manner. Along with airport rules and regulations and minimum standards, these best practices can serve to maximize revenue streams and the orderly development of the airport.

Hangars must be used for the storage of aircraft and other FAA-defined aeronautical uses with rare and temporary exceptions. Any proposed non-aeronautical use of a hangar must receive GDOT and FAA approval.

Hangar and ground leases should clearly define the premises and authorized uses of the property, charge fair market rent, contain escalation clauses and periodic adjustments of the rent, never grant, or imply an exclusive right, be subordinate to the airport's federal obligations, and not adversely impact an airport's ability to carry out its FAA grant assurances. In addition, ground leases should contain economic non-discrimination clauses, reasonable terms based on the investment in the property that cannot exceed 50 years and reversionary clauses for any improvements.

Airports should maintain a formal rates and charges schedule, with documentation of the basis for all airport fees including hangars. The rates should be reasonable and contribute to the financial self-sustainability of the airport.



When managing hangar waiting lists, airports should charge deposits to reserve a space on the list, require aircraft to be airworthy and insured, update the waiting list annually, charge fair market rents and adopt a formal waiting list policy. Additionally, airports should conduct annual inspections of hangars to ensure appropriate usage and address any safety or maintenance deficiencies. Including the local building inspector and/or fire marshal in annual hangar inspections can provide valuable technical assistance.

The best practices outlined in this guide are developed from a review of documents and practices utilized at airports across the country, interviews with airport managers, and FAA Compliance Division managers and staff. The leases and policy templates in this guide should be customized by airport sponsors through a local legal review process and should not be construed as legally sufficient.

Guidance and Resources

Guidance *(in order of appearance in this guide)*

- [Policy on the Non-Aeronautical Use of Airport Hangars](#), *Federal Register*, Vol. 81, No. 114 June 15, 2016
- FAA [Frequently Asked Questions & Answers On FAA Policy on Use of Hangars at Obligated Airports](#)
- Mead & Hunt [white paper](#) (August 31, 2022) on strategies for optimizing hangar space and waitlists
- FAA [Grant Assurances for Airport Sponsors](#)
- FAA [Airport Compliance Manual Order 5190.6B, Change 3](#), Chapter 12: Review of Airport Lease Agreements
- FAA [Form FAA 7460-1 – Notice of Proposed Construction or Alternation](#)
- FAA [Guidebook for Developing and Leasing Airport Property](#)
- FAA [Policy Regarding Airport Rates and Charges](#)
- ACRP 2020 Research Report 213, [Estimating Market Value and Establishing Market Rent at Small Airports](#)

Resources

- Hangar Lease Template
- Hangar Ground Lease Template
- Hangar Waiting List Policy and Application Template
- Hangar Inspection Policy Template
- Hangar Compliance Inspection Checklist Template

For questions regarding hangars at your airport, contact your assigned GDOT Aviation Project Manager or email aviationprograms@dot.ga.gov.

A photograph of a private jet on a tarmac at dusk. The jet is white with dark accents and is parked on a wet surface. In the background, there are other aircraft and airport structures. The word "Appendices" is overlaid in a yellow, outlined font in the center of the image.

Appendices

APPENDIX I

Airport Hangar Lease Agreement Template



This sample airport hangar rental agreement is based on the Airport Cooperative Research Program's *Guidebook for Developing and Leasing Airport Property*, published FAA guidance documents and a review of airport leases in use across the county. It is intended to be customized through a local legal review. Bold and highlighted text should align with each airport's circumstances and requirements. Highlighted text in italics provides explanations of optional sections or notations.

Airport Hangar Rental Agreement

THIS AGREEMENT is made between the **OWNER NAME**, hereafter **LESSOR**, and the undersigned **LESSEE NAME**, hereafter **LESSEE**. The **LESSEE**, in consideration of the conditions set forth, leases to **LESSEE** that portion of the **AIRPORT NAME** situated in the County of **COUNTY**, State of **STATE**, known and described as **HANGAR NUMBER** (the "Premises") commencing on **DATE** (Commencement Date).

LESSOR and LESSEE, in consideration of the conditions set forth, agree as follows:

1. **TERM:** Except as otherwise provided herein, the Premises are leased for **ONE YEAR**, starting the commencement date. Provided the **LESSEE** is not in default under the Lease, the Lease will automatically be extended for **one year** unless either party gives the other **sixty (60)** days written notice to terminate. Either party may terminate the lease with **sixty (60)** days written notice, provided **LESSEE** is not in default. **LESSEE** will be liable for rental charges until possession is delivered to **LESSOR** or for **sixty (60)** days after written notice of election to terminate whichever is longer.
2. **RENTAL FEE:** The rent of **\$RENT** per month shall be paid in advance on or before **the first day of each calendar month** beginning **START DATE**, and shall continue to be paid as long as this Agreement remains in full force and effect. The rent amount per month includes **DEFINE INDCLUDED UTILITIES**. The rent will be adjusted annually at the sole discretion of the **LESSOR**.

INSERT ANY OTHER FEES ASSOCIATED WITH THE AGREEMENT HERE

LESSEE agrees to pay a late fee of **\$ per day for each day** the rent amount is due and remains unpaid.

All rent payments, security deposit, and late fees shall be made by certified check, personal check or money order payable to the "**PAYEE NAME**" and delivered to one of the following addresses on or before the due date and without demand:

LESSOR'S NAME AND ADDRESS

3. **SECURITY DEPOSIT:** Upon execution of this Agreement, **LESSEE** shall deposit an amount equal to one months' rent (as referenced in paragraph 2 above) as a Security Deposit with **LESSOR**, as security for any damage caused to the Premises during the term. The Security Deposit shall be returned to **LESSEE**, without interest, and less any set off for damage to the Premises upon the termination of this Agreement.
4. **TAXES:** Any and all taxes or fee assessed by any governmental unit shall be the responsibility of the **LESSEE**. All hangared aircraft shall be listed as personal property with the _____ Tax Assessor's office. **LESSEE** shall provide documentation of the tax listing to the **LESSOR**. If the aircraft is domiciled for ad valorem tax purposes at another airport, documentation must be provided to the **LESSOR** to support such classification.

5. **AIRCRAFT:** The Aircraft to be stored are identified as follows:

Registered Owner:	
LESSEE Interest in Aircraft:	
Make & Model of Aircraft:	
FAA Aircraft Registration Number:	
LESSEE Mailing Address:	
LESSEE Telephone Number:	
LESSEE Email Address:	
Emergency Contact Name and Telephone Number:	

LESSEE may substitute aircraft, however, **LESSEE** must notify **LESSOR**, in writing, prior to any change in the stored aircraft information furnished above. If the aircraft is inoperable for a period in excess of 60 days, the **LESSEE** must notify the **LESSOR**.

If **LESSEE** sells the aircraft, the **LESSOR** must be notified in writing within **10 business** days of the sale and the **LESSEE** has **ninety (90)** days in which to replace said aircraft. **LESSOR** may grant an extension to the period to replace the aircraft, upon written request by **LESSEE**. **Optional Section** If an aircraft is not owned at the time the hangar lease is consummated, **LESSEE** has **ninety (90)** day to obtain an aircraft. Prior to placing any aircraft in the Premises, **LESSEE** shall provide **LESSOR** in writing the aircraft information, per the **AIRCRAFT** section of this document.

- 6. **SURRENDER OF POSSESSION:** Upon the expiration of the term of this Agreement, or earlier termination, the **LESSEE** will yield possession of the Premises to the **LESSOR** without further notice. The **LESSEE** agrees to leave the Premises in good condition, ordinary wear and tear excepted.
- 7. **CONDITION OF PREMISES:** No representations as to the condition or repair of the Premises have been made by **LESSOR**, its agents or employees to **LESSEE** prior to or at the execution of this Agreement that are not herein expressed or endorsed herein. **LESSEE** has examined the Premises prior to accepting same and prior to the execution of this Agreement, and **LESSEE** is satisfied with the physical condition thereof, and taking possession shall be conclusive evidence of **LESSEE**'s receipt thereof in good order and repair.

The **LESSOR**, by the terms of this Agreement or otherwise, shall not be bound to do or cause to be done any maintenance, repairs, replacements, redecorating or improving of said Premises or appurtenances thereto, except to keep the Premises in a decent, safe, and sanitary condition. The **LESSEE** has the obligation to maintain Premises in the same condition in which the Premises were presented, and will not allow Premises to deteriorate to a state of disrepair or unsafe condition, normal wear and tear excepted.

8. **RIGHT OF ENTRY:** LESSOR, its employees and agents shall have the right at all reasonable times during the term of this Agreement to enter the Premises for the purpose of making ordinary inspections and undertaking non-emergency activities; provided, however, that nothing in this section shall be construed to limit or diminish LESSEE's rights of entry at any time.

Since both the LESSOR and the LESSEE share the Premises, neither party shall take any measures to restrict the other party's external access to the Premises. To secure the Premises, the LESSOR will issue each LESSEE one (1) key and will maintain a master key. LESSEE is responsible for all locksmith costs should LESSEE lose its keys. LESSEE shall not replace the lock provided.

9. **USE OF PREMISES:** LESSEE agrees to use the Premises for the purpose of storage of aircraft and aircraft-related maintenance equipment and property. Painting is prohibited. Use of the Premises for any other non-aviation purpose without the consent of the LESSOR is strictly prohibited except for incidental non-aviation items that do not interfere with the aeronautical use of the space. Violation of this provision may result in termination of this Agreement by LESSOR and/or LESSOR may require removal of non-aviation personal property. Except as prohibited by the Airport Rules and Regulations LESSEE shall be allowed to perform preventative maintenance in the Premises on its own aircraft in accordance with Federal Aviation Regulations.

LESSEE agrees that Lessee's use of the Airport and the Premises shall create no hazard to other aircraft or the operation of the Airport.

No explosives or combustible materials will be permitted within or about the Premises except for the fuel in aircraft tanks or small containers of lubricants, cleaning material and other aviation-related material stored in approved containers. Waste oil of any type or quantity is prohibited. LESSEE shall abide by all State, Federal and local laws regulating the transportation of flammable liquids and protecting the environment.

Optional Section Engine heaters shall be of such a size as to not overload the electric system. Fuel-fired, hot-air type heaters are permitted if attended on a continuous basis while in use. Electric space heaters are prohibited.

10. **ALTERATIONS:** The LESSEE may not make any alterations to the Premises without first securing permission in writing from LESSOR to do so. LESSEE agrees to not attach any hoisting or holding mechanism to any part of the Premises or pass any such mechanism through the structure of the Premises.
11. **SUBLEASING and ASSIGNMENT:** LESSEE shall not sublease or assign, directly or indirectly, this Lease, either in whole or in part, without prior written consent of Lessor, which consent shall not be unreasonably withheld. No request for, or consent to, such assignment shall be considered unless LESSEE shall have paid all rentals, fees, and charges which have accrued in favor of LESSOR and LESSEE shall have otherwise met all other legal obligations to be performed, kept, and observed by it under the terms and conditions of this Lease or as this Lease may be subsequently amended or modified. LESSOR reserves the right to

investigate the financial capacity of the proposed assignee prior to making its decision, and Lessee shall remain liable for all obligations under this Lease after such assignment or sublease. No subleases or assignments will be approved for purposes of subverting the Lessor's Hangar Waiting List Policy. **(Alternative language should airport desire to prohibit subleasing or assignment: Lessee shall not sublease or assign, directly or indirectly, this Lease, either in whole or in part.)**

12. **COMPLIANCE WITH REGULATIONS AND LAWS:** LESSEE agrees to abide by all current and future Rules and Regulations of the Federal Aviation Administration, the State of **STATE**, and any public authority having jurisdiction over the airport, as well as the Airport Rules and Regulations and Airport Minimum Standards, a copy of which **LESSEE** acknowledges it has received and read. **LESSOR** reserves the right to revise, waive portions of, or create additional documents pertaining to the function of the airport. Such updated or additional documents will be provided to **LESSEE and/or be made publicly available on the Airport's website, WEBSITE**, as determined appropriate by **LESSOR**. Willful disregard by **LESSEE** of said Rules and Regulations and Minimum Standards is cause for immediate termination of this Agreement by **LESSOR** and is an event of **LESSEE's** default.
13. **SUBORDINATION:** The agreement shall be subordinate to the provision of any existing or future agreement between the **LESSOR** and the United States relative to the operation or maintenance of the **AIRPORT NAME**, the execution of which has been or may be required as a condition precedent to the expenditure of federal funds for the development of the Airport.
14. **NON-EXCLUSIVE RIGHT:** This Lease Agreement shall not be deemed a grant of any exclusive right for the use of the **AIRPORT NAME** or the granting of exclusive rights prohibited by any state, federal or local statutes or regulations.
15. **NONDISCRIMINATION:** **LESSEE**, for itself, its 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 Airport facilities; and (2) that **Lessee** shall use the Airport Premises in compliance with all requirements imposed or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination 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. In the event of breach of any of the above nondiscrimination covenants, Lessor shall have the right to terminate the Lease.
16. **PROPERTY RIGHTS RESERVED:** This Lease shall be subject and subordinate to all the terms, and conditions of any instruments and documents under which **LESSOR** acquired the land or improvements thereon, of which said Premises are a part, and shall be given only such effect as will not conflict with nor be inconsistent with such terms and conditions. **LESSEE** understands and agrees that this Agreement shall be subordinate to the provisions of any existing or future agreement between **LESSOR** and the United States of America, the State of _____, or any of its agencies, 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 grant or receipt of federal funds for the development of the Airport, and to any terms or conditions imposed upon the Airport by any other governmental entity.

- 17. CONTROL OF ACCESS:** LESSEE shall be responsible for and take all reasonable measures necessary to prevent any and all unauthorized vehicles or pedestrians from entering any restricted areas at **AIRPORT NAME**. The restricted areas include, but are not limited to runways, taxiways and aircraft parking areas. Lessee's private vehicle shall be allowed to be placed in the Premises when the aircraft is removed for a trip.
- 18. INSURANCE:** The LESSOR does not insure said Premises or appurtenance against fire or any other risk and liability, and LESSEE hereby waives any and all rights to claim damages from LESSOR, its agents, officers and employees for any loss, damages, death or injury which may result from any and all causes including, but not limited to, fire or other risk, or caused by or resulting from any repairs, replacements or improvements to the premises not having been made.

Before LESSEE enters into possession of the Premises, LESSEE shall provide LESSOR with a current Certificate of Insurance with coverage of a minimum of \$100,000.00 general liability and property damage insurance and aircraft hull insurance covering the value of the aircraft. (Note \$1,000,000.00 is also a commonly required insurance level.) Said insurance shall be maintained in full force and effect during the term of this Agreement and shall protect LESSOR, its agents, officers and employees against any and all liability for death, injury, loss or damage against which LESSEE has herein below undertaken to indemnify and hold harmless LESSOR, its agents, officers and employees. The Certificate of Insurance shall name LESSOR and its agents, officers and employees, as additional insured parties, as its interests may appear. The Certificate of Insurance shall be with an insurance company acceptable to LESSOR and duly authorized to do business in the State of [REDACTED]. LESSEE shall also provide LESSOR, upon the same terms and conditions as outlined above, with a Certificate of Insurance for any renewal or extension of the Policy or any new Certificate of Insurance with a new carrier, including renewal thereof. The original Certificate of Insurance, all renewals thereof and any new Policies or Certificates of Insurance with new carriers shall be for a term covering the term of the lease.

The LESSEE agrees that if the Premises are rendered untenable by fire or any other reason, this Agreement shall instantly terminate, and upon termination of this Agreement, for whatever reason or cause, said LESSEE will yield and surrender said Premises and appurtenances to the LESSOR in as good condition as when the same were entered upon by LESSEE, ordinary wear and tear and loss by fire or damage resulting from an outside agent excepted. The security deposit, as provided herein, may also be used to defray the cost of repairs due to damages caused by said LESSEE, except as herein excluded.

- 19. SURRENDER:** The LESSEE agrees that if the Premises are rendered untenable by fire or any other reason, this Agreement shall instantly terminate, and upon termination of this Agreement, for whatever reason or cause, said LESSEE will yield and surrender said

Premises and appurtenances to the **LESSOR** in as good condition as when the same were entered upon by **LESSEE**, ordinary wear and tear and loss by fire or damage resulting from an outside agent excepted. The security deposit, as provided herein, may also be used to defray the cost of repairs due to damages caused by said **LESSEE**, except as herein excluded.

20. **INDEMNIFICATION:** In the event that death or injury occurs to any person or loss, destruction or damage occurs to any property including, but not limited to, the person or property of the parties hereto, in connection with **LESSEE's** occupation of the aforesaid Premises or operations, occasioned in whole or in part by the acts or omissions of **LESSEE**, its agents or employees, **LESSEE** agrees to indemnify and hold harmless **LESSOR** and its agents, officers and employees from and against any losses, claims or demands to which **LESSOR** may be subject as a result of such death, injury, loss, destruction or damage.
21. **DEFAULT:** **LESSEE** shall be deemed to be in default under this lease in that **LESSEE** fails to pay any rent when due hereunder and fails to cure such default within [REDACTED] business days of written notice from **LESSOR** of such failure. **LESSEE** violates, or fails to comply with any other provision of the lease and fails to cure such default within [REDACTED] business days of written notice from **LESSOR**. If **LESSEE** has previously violated a term, condition or covenant of this Lease and is provided with notice of and opportunity to cure such violation, any subsequent violation of the same term, condition or covenant shall constitute and Event of Default without further notice or opportunity to cure. **LESSEE** will be in default if **LESSEE** use Premises for any illegal purpose or in connection with any illegal activity.
22. **ATTORNEY FEES:** The **LESSEE** further covenants and agrees to pay and discharge all reasonable costs, attorney's fees and expenses that shall be made and incurred by the **LESSOR** in enforcing the covenants and agreements of this Agreement; and all parties agree that the covenants and agreements herein contained shall be binding upon and inure to the benefit of their heirs, executors, administrators and assigns.
23. **GOVERNANCE:** This Agreement shall be governed, construed and interpreted by, through and under the Laws of the State of [REDACTED]. The **LESSOR** and **LESSEE** agree that if part of this Agreement is found to be unenforceable or contrary to the statutes of the State of [REDACTED], the remainder of the Agreement will remain in full force and effect.
24. **PARAGRAPH HEADINGS:** The heads to paragraphs to this agreement are solely for convenience and may have no substantive effect on the agreement nor are they intended to aid in the interpretation of the agreement.
25. **ENTIRE DOCUMENT:** The parties hereby agree that this document contains the entire agreement between the parties, and this Agreement shall not be modified, changed, altered or amended in any way, except by a written amendment signed by all the parties hereto.

No indulgence, waiver, election or non-election by **LESSOR** under this Agreement shall affect **LESSEE's** duties and liabilities hereunder.

26. NOTICE: Any notice required or permitted under this Agreement or under state law shall be deemed sufficiently given or served if sent by U.S. certified mail, return receipt requested, addressed as follows:

All notices to the **LESSEE** will be sent to same mailing address as listed under the AIRCRAFT Section of this document.

IN WITNESS WHEREOF, the **LESSOR** and **LESSEE** have hereunto set their hands and seals the day and year first above written.

LESSOR:
OWNER NAME

BY: _____
Printed Name: _____
Title: _____

LESSEE:
LESSEE NAME

BY: _____
Printed Name: _____
Title: _____

LESSEE ADDRESS:

WITNESSES FOR LESSOR:

Signature

Name Printed

WITNESSES FOR LESSEE:

Signature

Name Printed

APPENDIX II

Airport Building and Land Lease Agreement



This sample airport ground lease agreement is based on the Airport Cooperative Research Program's *Guidebook for Developing and Leasing Airport Property*, published FAA guidance documents and a review of airport leases in use across the county. It is intended to be customized through a local legal review. Bold and highlighted text should align with airport requirements. Highlighted text in italics provides explanations of optional sections or notations.

**AIRPORT BUILDING AND LAND LEASE
LOCATION**

**BETWEEN THE XXXX (OWNER)
("XXX")**

and

**LESSEE NAME
("LESSEE")**

Date Term Commences: _____

BUILDING AND LAND LEASE
LESSEE NAME
XXX AIRPORT

TABLE OF CONTENTS

Article	Page
ARTICLE 1. Premises	1
ARTICLE 2. Uses	1
ARTICLE 3. Term	1
ARTICLE 4. Rent, Fees, and Charges	2
ARTICLE 5. Security for Payment	4
ARTICLE 6. Taxes, Permits, Licenses	5
ARTICLE 7. Obligations of LESSEE	5
ARTICLE 8. Maintenance and Repair	7
ARTICLE 9. Leasehold Improvements	9
ARTICLE 10. Assignment.....	9
ARTICLE 11. Construction Lien	9
ARTICLE 12. Mortgage Rights of LESSEE	10
ARTICLE 13. Utilities	10
ARTICLE 14. Signs	10
ARTICLE 15. Ingress and Egress.....	10
ARTICLE 16. Default and Termination Rights of LESSOR.....	11
ARTICLE 17. Insurance	13
ARTICLE 18. Indemnification.....	16
ARTICLE 19. Compliance with Laws, Regulations, Ordinances, Rules.....	16
ARTICLE 20. Environmental Regulations	17
ARTICLE 21. Federal Storm Water Regulations	19
ARTICLE 22. Environmental Inspection	19
ARTICLE 23. Storage Tanks.....	20
ARTICLE 24. FAA Approval and Requirements	20
ARTICLE 25. Americans with Disabilities Act.....	21
ARTICLE 26. Nondiscrimination	21
ARTICLE 27. Rights Reserved to LESSOR.....	21
ARTICLE 28. Right to Entry.....	21
ARTICLE 29. Right of Flight	21
ARTICLE 30. Airport Noise	22
ARTICLE 31. Property Rights Reserved	22
ARTICLE 32. Quiet Enjoyment	22
ARTICLE 33. Eminent Domain.....	22
ARTICLE 34. Subordination of Bond Resolution	22
ARTICLE 35. Federal Right to Reclaim	23
ARTICLE 36. Force Majeure.....	23
ARTICLE 37. Surrender of Premises.....	23
ARTICLE 38. Title to Improvements	23

ARTICLE 39. No Acceptance of Surrender 24
ARTICLE 40. Personal Property 24
ARTICLE 41. Corporate Tenancy 24
ARTICLE 42. Applicable Law and Venue..... 25
ARTICLE 43. Attorney’s Fees and Costs 25
ARTICLE 44. Invalidity of Clauses 25
ARTICLE 45. Notices and Communications 25
ARTICLE 46. Relationship of the Parties 25
ARTICLE 47. Miscellaneous 25

EXHIBITS

EXHIBIT A SURVEY AND LEGAL DESCRIPTION

Building and Land Lease
LESSEE NAME
XXX AIRPORT

This **BUILDING AND LAND LEASE** ("Lease") is entered into as of the ___ day of _____ 20__, ("Effective Date") and is by and between the **OWNER NAME**, hereafter **LESSOR**, and **LESSEE NAME**, **Corporate identity, for example Florida Limited Liability Company or Indiana "S" Corporation, etc.**, hereafter **LESSEE**.

RECITALS

WHEREAS, The LESSOR owns and operates the **AIRPORT NAME**, located in **CITY OR COUNTY AND STATE**, (hereinafter called "**Airport**"); and

WHEREAS, LESSOR is desirous of leasing Premises to LESSEE and LESSEE is desirous of leasing Premises from LESSOR, upon the terms and conditions herein contained, certain real property to be used by LESSEE for **DESCRIBE THE INTENDED USE**; and

WHEREAS, Premises will include **IDENTIFY ANY BUILDING(S) AND ALL ASSOCIATED IMPROVED AND UNIMPROVED GROUND** as Identified on Exhibit "A" attached; and

NOW THEREFORE, in consideration of the mutual promises hereinafter set forth, and for other good and valuable consideration the receipt and sufficiency of which are acknowledged by the parties, LESSOR and LESSEE agree as follows:

ARTICLE 1. Premises

1.1 Premises. LESSEE hereby agrees to lease from LESSOR real property consisting of **DESCRIBE PREMISES BEING LEASED (buildings, improved and unimproved ground)** ("herein referred to as the "Premises"); Said **building, improved, and unimproved ground** are shown on "Exhibit A" which is attached hereto and made a part hereof.

1.2 As Is Condition. LESSOR delivers said Premises in "**AS IS**" condition and implies no further warranties or representations with regard to such as hereinafter described in Leasehold Improvements Section of this document.

ARTICLE 2. Uses

The Premises shall be used solely by LESSEE to **DESCRIBE ALLOWED USES. (IF AN AVIATION SERVICE PROVIDE IDENTIFY REQUIRED AND PERMITTED SERVICE TO BE PROVIDED)**. Any and all services must be in accordance with LESSOR's Minimum Standards. No other uses of the Premises are permitted unless agreed to in writing by the LESSOR and LESSEE.

ARTICLE 3. Term

3.1 Term. This Agreement shall commence on _____, 20__, continue for a term of **XX** years, and terminate on _____, 20__.

- 3.2 **Option to Renew (Include if offering options to renew)**. LESSEE shall have the right to extend for **(number of option period, number of years per option)** additional year period(s) ("Option Period"). LESSEE shall provide written notice to LESSOR no earlier than **one hundred eighty (180) days and no later than ninety (90) days** prior to the expiration of the Lease, of the intent to exercise the option to extend. Option to Renew will be subject to a Fair Market Rent Adjustment pursuant to Section 4.4 of this document.
- 3.3 **Holdover**. If LESSEE holds over and continues on possession of the Premises after expiration of this Lease or any extension of that term, other than as provided above, LESSEE will be deemed to be occupying the Premises at sufferance from month-to-month tenancy, without limitation of any of the LESSOR's rights or remedies, subject to all of the terms and conditions of this Agreement. The Premises rental shall be based on the same formula as the last month of the Term of the Lease prior to the holdover but shall **double such amount unless otherwise specified in writing by LESSOR**.

ARTICLE 4. Rent, Fees, and Charges

- 4.1 **Rent, Fees, and Charges**. Effective on the Commencement Date herein, LESSEE shall pay the LESSOR in equal monthly installments, in advance, or before the first (1st) day of each and every month without demand, deduction, holdback or setoff, plus applicable sales taxes. The following rents, rates, and charges due herein for the Premises shall be as follows:

Rent: During the first (1st) Lease Year of the Term of this agreement, LESSEE shall pay LESSOR \$_____ per month or \$_____ annually.

Example of additional fee, Optional section based on local conditions. **Common Area Maintenance fee.** LESSEE shall pay the LESSOR a Common Area Maintenance ("CAM") fee equal to **Percent (%)** of the total building, improved ground, and unimproved real property rent for the maintenance and upkeep of common use areas at the Airport. The CAM charge is due at the same time as the other rents listed in this Article.

Example of additional fee, Optional section on anticipated development and transfer of property

Transfer Fee. Each time the right to occupy a hangar unit is transferred by an assignment or sale, the LESSEE shall pay the LESSOR a fee equal to **One percent (1%)** of the gross sale amount or fair cash market value of the hangar unit or portion thereof.

Example of additional fee for fuel flowage fees, Optional section if the entity will conduct fueling. The LESSEE will be given the privilege to store, transport, dispense or otherwise engage in aviation fueling operations only upon **Location, usually limited to leasehold unless an FBO**. In addition to all other rates, fees and charges assessed by this Agreement, the LESSEE shall pay the LESSOR a fuel flowage fee as established in the **AIRPORT NAME Rates and Charges Ordinance** *Identify fuel flowage rate, recommended to be per ordinance*. Payment will be due to the LESSOR upon delivery of the fuel to the LESSEE according to the amount of fuel indicated as delivered on the deliver slip, a copy of

which will be presented to the LESSOR at the time of delivery of each fuel purchase.

4.2 Rental Adjustment. Commencing on the **first month of the second (2nd) Lease Year**, and every Lease Year thereafter, the building and land lease rent listed under this Article shall be adjusted to reflect cost of living increases based on the Consumer Price Index-Urban ("CPI"). For purposes of calculating the new rent, the initial CPI base used for the initial rental adjustment shall be the CPI of the calendar month 3 months prior to the Commencement Date ("Initial CPI Base"). Subsequent CPI base figures shall be the CPI of the calendar month 3 months prior to the preceding adjustment date ("Adjusted CPI Base") *Note: CPI adjustment should occur not less often than every five years. More frequently is recommended.*

The monthly rent payable shall be calculated as follows: Commencing on the first month of the second (2nd) Lease Year, the Base Year Rent set forth in Sections 4.1 shall be multiplied by a fraction the numerator of which shall be the CPI of the calendar month 3 months prior to the month(s) specified above during which the adjustment is to take effect and the denominator of which shall be the Initial CPI Base. The sum so calculated shall constitute the new fixed monthly rent for the next year of the term. All subsequent adjustments shall be calculated using the Adjusted CPI base in place of the Initial CPI Base. Stated as a mathematical formula, the adjusted rent shall be computed as follows:

$$\text{Adjusted Rent} = \text{Current Rent} \times \frac{\text{Adjustment Year CPI}}{\text{Initial CPI Base (or Adjusted CPI Base)}}$$

In no event shall the rent in effect be decreased as a result of such adjustment. The rates following the adjustment shall remain in effect until the next adjustment. For clarification purposes, the adjustments will occur on the first day of each Lease Year. In no event shall the yearly adjustment be in excess of ten percent (10%) nor shall the building and ground rent be reduced below the then rent rate.

The Index referred to herein shall be the Consumer Price Index of all Urban Consumers, distributed by the Bureau of Labor Statistics of the U.S. Department of Labor. In the event said Index ceases to be prepared and published, then the Building and Ground rent rate shall be adjusted in accordance with the most comparable index then in existence.

4.3 Fair Market Rent Adjustment. Notwithstanding the above and subject to LESSEE exercising its option to renew pursuant to 3.2, Premises rent shall be adjusted to the then fair market rent based upon the appraised value as determined by an appraisal made by a qualified M.A.I. appraiser, selected and appointed by the LESSOR ("Appraisal"). Upon receipt of the Appraisal, LESSOR shall submit to LESSEE a written statement of the then current fair market rental values for the Premises as established by the Appraisal. *Establish when a reappraisal will occur.* Should the Appraisal indicate a rent value for the Premises greater than the then current amount, the rent for the fourth (4th) Lease Year (first year of the Option Period) shall be set at the rent value indicated in the Appraisal. Beginning in the first month of the fifth (5th) Lease Year (second year of the Option Period), the rent shall be adjusted pursuant to 4.3 herein. In no event shall the rent be decreased as a result of the appraisal or CPI rental adjustment.

4.4 Failure to Pay Rentals, Fees or Charges. In the event LESSEE fails to make timely payment of any rent, fees, charges, and payments due and payable in accordance with the terms of this Lease within **ten (10) days** after same shall become due and payable, **interest at the maximum rate allowed by law shall accrue against the delinquent payment from the date due until the date payment is received by LESSOR.** Notwithstanding the foregoing, LESSOR shall not be prevented from terminating this Lease for default in the payment of fees, charges, and payments due to LESSOR pursuant to this Lease, or from enforcing any other right or remedy contained herein or provided by law.

4.5 Service Charge for Worthless Checks In the event LESSEE delivers a worthless check or draft to LESSOR in payment of any obligation arising under this Lease, LESSEE shall incur a service charge of **Twenty-five Dollars (\$25.00) or five (5) percent of the face amount of such check, whichever is greater;** *Match to state or local statute if limits.*

4.6 Fees and Charges. Nothing contained in this Lease shall preclude LESSOR from establishing other reasonable and non-discriminatory fees and charges applicable to aircraft operating at the Airport, including aircraft owned or operated by LESSEE, at such time as LESSOR deems appropriate. LESSEE expressly agrees to pay such fees and charges as if they were specifically included in this Lease. In the event LESSEE engages in any activity or provides any service at the Airport for which other companies operating at the Airport pay a fee to LESSOR, LESSEE shall pay LESSOR fees equivalent to those paid by such other companies for engaging in such activities or providing such services

4.7 Revenue Reports and Payments. LESSEE shall pay all rents, fees, charges and billings required by this Lease to the following address:

OWNER NAME and ADDRESS

All reports and other correspondence should be addressed as indicated in the Article hereof entitled, "Notices and Communications."

4.8 Triple Net Lease. This Lease shall be deemed to be "triple net" without cost or expense to LESSOR including, but not limited to, cost and expenses relating to taxes, insurance, and maintenance, including structural, (regardless of whether buildings and improvements are then owned by LESSEE or LESSOR) and the operation of the Premises.

4.9 Rent a Separate Covenant. LESSEE shall not for any reason withhold or reduce LESSEE's required payments of rent and other charges provided in this Lease, it being expressly understood and agreed by the parties that the payment of rent and additional rent is a covenant by LESSEE that is independent of the other covenants of the parties hereunder.

ARTICLE 5. Security for Payment

Lessor should determine the method and amount for the security deposit based on the operator history, financial position and type of operation. Indicate selected method(s) in the lease.

A. Post with LESSOR a surety bond to be maintained throughout the term of this Lease in an

amount equal to the total rents, fees and charges due under this Lease for the first Lease Year. The amount of the surety bond shall be increased as rental payments are increased. Such bond shall be issued by a surety company acceptable to LESSOR and authorized to do business in the State of [REDACTED] and shall be in the form and content acceptable to LESSOR and naming LESSOR as obligee. The surety bond will, by appropriate notation, thereon, stipulate and agree that no change, extension of time, alteration or addition to terms of this Agreement, will in no way affect the Surety's obligations under the bond, and that Surety will consent to waive notice of any such matters; or

- B. Deliver to LESSOR an irrevocable letter of credit drawn in favor of LESSOR upon a bank which is satisfactory to LESSOR and which is authorized to do business in the State of [REDACTED]. Said irrevocable letter of credit shall be in an amount equal to the total rents, fees and charges due under this Lease for the first Lease Year. The irrevocable letter of credit shall be in the form and content acceptable to LESSOR. As the rental payment is increased the amount of the irrevocable letter of credit shall similarly increase.
- C. Deliver a cashier's check drawn in favor of the LESSOR in an amount equal to the total rents, fees and charges due under this Lease for the first Lease Year. The LESSEE shall not be entitled to any interest on the amount of the security deposit held by the LESSOR.

ARTICLE 6. Taxes, Permits, Licenses

In addition to those obligations set forth in Article 8, LESSEE shall bear, at its own expense, all costs of operating its equipment and business including any and all ad valorem, sales, use or other taxes levied, assessed or charged upon or with respect to the leasehold estate, the Premises or improvements or property LESSEE places thereon and any assessed against the operation of the business and any ad valorem, sales, use or similar taxes levied or assessed on any payments made by LESSEE hereunder, regardless of whether said items are billed to LESSOR or the LESSEE. LESSEE shall bear all cost of obtaining any permits, licenses, or other authorizations required by LESSOR or law in connection with the operation of its business at the Airport, and copies of all such permits, certificates and licenses shall be forwarded to LESSOR. LESSEE reserves the right to contest any such taxes and withhold payment of such taxes, so long as the nonpayment of such taxes does not result in a lien against the leased Premises or a direct liability on the part of LESSOR. All aircraft hangared on the premises shall be listed as personal property with the [REDACTED] Tax Assessor's office. LESSEE shall provide documentation of the tax listing to the LESSOR. If the aircraft is domiciled for ad valorem tax purposes at another airport, documentation must be provided to the LESSOR to support such classification.

ARTICLE 7. Obligations of LESSEE

7.1 LESSEE shall:

- A. Conduct its operation hereunder in a safe, orderly and proper manner, considering the nature of such operation so as not to unreasonably annoy, disturb, endanger or be offensive to others at the Airport or around the Premises.
- B. Control, within reason, the conduct of its employees, invitees, and of those doing business

with it and, upon objection from LESSOR concerning the conduct, shall immediately take all reasonable steps necessary to remove the cause of objection.

- C. Remove from the Premises or otherwise dispose of in a lawful manner all garbage, debris and other waste materials (whether solid or liquid) arising out of its occupancy of the Premises or out of its operations. Any such debris or waste which is temporarily stored in the open, shall be kept in suitable garbage and waste receptacles equipped with tight-fitting covers and designed to safely and properly contain whatever material may be placed therein. LESSEE shall use extreme care when effecting removal of all such waste.
- D. Not commit any nuisance, waste, or damage to the Premises or other areas of the Airport and shall not do or permit to be done anything which may result in the creation or commission or maintenance of such nuisance, waste or damage to the Premises.
- E. Not create nor permit to be caused or created upon the Airport or the Premises any obnoxious odor, smoke or noxious gases or vapors.
- F. Not do or permit to be done anything which may interfere with effectiveness or accessibility of any utility or other system, including, the drainage and sewage system, fire protection system, sprinkler system, alarm system, fire hydrants and hoses, if any, installed or located on the Premises.
- G. Not overload any floor or paved area on the Premises and shall repair any floor, including supporting members, and any paved area damaged by overloading.
- H. Not do or permit to be done any act or thing upon the Premises:
 - (1) Which will invalidate or conflict with any fire insurance policies covering the Premises or any part thereof or other contiguous property; or
 - (2) Which may constitute an extra-hazardous condition so as to increase the risks normally attendant upon the operations permitted by this Lease.
- I. Not keep or store flammable liquids within any covered and enclosed portion of the Premises in violation of applicable law or in excess of LESSEE's working requirements. Any such liquids having a flash point of less than 110°F shall be kept and stored in safety containers of a type approved by the Underwriters Laboratories.
- J. Pay all applicable sales taxes, ad valorem taxes and any other taxes or assessments with respect to or against the Premises or the leasehold estate, whether billed to the LESSOR or the LESSEE. LESSEE reserves the right to contest any such taxes and withhold payment of such taxes, so long as the nonpayment of such taxes does not result in a lien against the leased Premises or a direct liability on the part of LESSOR.
- K. Be responsible for all cost and expenses relating to taxes, insurance and maintenance (regardless of whether buildings and improvements are then owned by Tenant or LESSOR) and the operation of the Premises as this Lease is deemed to be "triple net."

- L. Not keep or store any materials outside of the Premises.

ARTICLE 8. Maintenance and Repair

8.1 LESSEE's Responsibilities. LESSEE shall throughout the term of this Lease assume the entire responsibility and shall relieve LESSOR from all responsibility for all repair and maintenance whatsoever with respect to the Premises, whether such repair or maintenance be ordinary or extraordinary, or otherwise, and without limiting the generality hereof, shall:

- A. Keep at all times in a clean and orderly condition and appearance the Premises and all LESSEE's fixtures, equipment and personal property which are located in any part of the Premises which is open to or visible by the general public.
- B. Paint the exterior and interior of the Premises, repair and maintain all doors.
- C. Repair and maintain all building systems, including but not limited to HVAC, electrical, Fire Suppression system, plumbing, compressed air, landscaping, windows, pavements, equipment, lighting fixtures, furnishings, fixtures, roof, exterior walls and structural support systems.
- D. Provide and maintain fire protection and safety equipment and all other equipment of every kind and nature required by any law, rule, order, ordinances, resolutions or regulation of any competent LESSOR.
- E. Keep all areas of the Premises, including the apron areas, in state of good repair to include repair of any damage to the pavement or other surface of the Premises or any building improvements caused by weathering and/or aging, LESSEE's operations, or by any oil, gasoline, grease lubricants or other flammable liquids and substances having a corrosive or detrimental effect thereon.
- F. Take reasonable anti-erosion measures, including but not limited to, the planting and replanting of grasses with respect to all portions of the Premises not paved or built upon.
- G. Be responsible for the maintenance and repair of all utility service lines except common utilities, if any, including but not limited to, service lines for the supply of water, gas service lines, electrical power and telephone conduits and line, sanitary sewers and storm sewers which are now or which may be subsequently located upon the Premises and used by LESSEE or any subtenants.
- H. LESSEE will establish a capital expenditure reserve account for improvements and renovations excluding normal repairs and maintenance.
 - (1) LESSEE will pay LESSOR an amount equal to \$ _____ (determine based on rental rate) so as to establish and maintain a separate interest-bearing capital expenditure reserve account (hereinafter "Escrow Account") for capital improvements and

renovations, excluding normal repairs and maintenance which are a separate obligation of Lessee, for Lessee. In addition, the account may be used to fund the demolition of any or all structures on the leased premises at the termination of the lease term.

- (2) Commencing on the date of this Lease and not later than then 10th day of the month following, LESSEE shall deposit into the Escrow Account an amount equal to \$ _____ (determine based on rental rate), which will be held in the Escrow Account to be used as a capital expenditure reserve for the leased Premises.
- (3) All interest earned on the Escrow Deposits will be added to and become a part of the Escrow Deposits.
- (4) At the end of the Term, or at the end of any extension thereof, any and all funds remaining in the Escrow Account shall be the sole and exclusive property of LESSOR.
- (5) LESSEE may periodically withdraw funds from the Escrow Account in a manner that LESSEE and LESSOR agree upon and deem appropriate understanding that LESSEE may utilize the entirety of the funds set aside each year or reserve amounts for larger projects in following years. If LESSEE fails to properly repair and maintain the premises, LESSOR may, at its sole discretion, make use of any amounts in the Escrow Account to bring the Premises into compliance with Airport repair and maintenance standards.
- (6) LESSOR shall furnish annual statements for the Escrow Account to LESSEE. This statement shall show the current balance of the Escrow Account, including all withdrawals and deposits during the preceding year, and a summary of items purchased or renovations made with funds from the Escrow Account.

8.2 LESSOR's Rights. LESSOR shall not be liable for, or required to make, any repairs or perform any maintenance upon the Premises. If LESSEE fails to perform LESSEE's maintenance responsibilities, LESSOR shall have the right, but not the obligation, to perform such maintenance responsibilities, provided LESSOR has first, in any situation not involving an emergency, by written notice to LESSEE, afforded LESSEE a period of thirty (30) days within which to commence corrective action to correct the failure, which may include a corrective action plan. The corrective action plan shall begin corrective action within thirty (30) days, unless in case of emergency, or in the case of written approval by the LESSOR of a later start date. **All costs incurred by LESSOR in performing LESSEE's maintenance responsibility, plus a twenty-five percent (25%) administrative charge, shall be paid by LESSEE within thirty (30) days of receipt of billing therefore. (should modify this provision based on the final provisions in Article 8.1 H – Capital reserve/escrow.)**

ARTICLE 9. Leasehold Improvements

9.1 No Improvements. LESSEE shall make no alterations or improvements to the Premises without the prior written consent of the LESSOR.

9.2 Conditions When Consent to Improve Given. If LESSEE requests permission to make improvements or alterations, and permission is granted, LESSEE shall comply with all federal, state and local requirements as well as any restrictions or conditions imposed by LESSOR with respect to the improvements. By way of example and not limitation, such restrictions or conditions by LESSOR may require that LESSEE: (i) obtain all required permits and licenses necessary to comply with applicable zoning laws, building codes, and other laws or regulations of any appropriate governing body; (ii) require that all contractors and subcontractors who are to perform work qualify and be approved by LESSOR; (iii) post with LESSOR a performance and payment bond in an amount equal to the estimated cost of alterations or improvements; and/or (iv) complete construction of approved leasehold improvements within [REDACTED] days of written notice of approval from Lessor. In addition to compliance with any restrictions or conditions, LESSEE agrees to pay all costs and expenses necessary to design and construct LESSOR-approved alterations or improvements, and to maintain at its expense the Leased Premises and any improvements, equipment, or displays within the Leased Premises in a good state of repair and preservation.

9.3 Certification of Improvement Costs. The cost of all past or future leasehold improvements, fixtures, and equipment shall be borne by LESSEE, unless the LESSOR agrees in writing after the date of this Lease to pay any such costs. Upon completion of any leasehold improvements, LESSEE shall furnish LESSOR with a certified statement of all approved improvement costs and that said costs have been satisfactorily paid in full.

ARTICLE 10. Assignment

LESSEE shall not sublease or assign, directly or indirectly, this Lease, either in whole or in part, without prior written consent of LESSOR which consent shall not be unreasonably withheld. No request for, or consent to, such assignment shall be considered unless LESSEE shall have paid all rentals, fees, and charges which have accrued in favor of LESSOR and LESSEE shall have otherwise met all other legal obligations to be performed, kept, and observed by it under the terms and conditions of this Lease or as this Lease may be subsequently amended or modified. LESSOR reserves the right to investigate the financial capacity of the proposed assignee prior to making its decision, and LESSEE shall remain liable for all obligations under this Lease after such assignment or sublease.

ARTICLE 11. Construction Lien

LESSOR's interest in the Premises shall not be subjected to any construction, mechanics, materialman's, tax, laborer's or any other lien, whether LESSOR has given its written approval for the improvements or otherwise, and LESSEE shall save and hold harmless LESSOR and its interest in the Premises from any such lien or purported lien. Within fifteen (15) days of filing of any lien, LESSEE shall cause same to be satisfied or shall post bond for the lien.

ARTICLE 12. Mortgage Rights of LESSEE

LESSEE shall not mortgage, pledge, or hypothecate its property and leasehold interest without the prior written consent of the LESSOR, which consent shall not be unreasonably withheld. As a condition precedent to obtaining the consent of the LESSOR, LESSEE and its lender shall provide to LESSOR written evidence that the priority rights of LESSOR under this Lease will not be adversely affected by such action. In addition, any leasehold mortgage, leasehold deed of trust or other security financing arrangement shall specifically acknowledge that such financing shall never be construed to pledge, mortgage, encumber, hypothecate, alienate or otherwise grant or convey all or any part of the fee simple title to the real property underlying the leasehold estate herein given, or leasehold improvements which are the property of the LESSOR, as the same is publicly-owned property not subject to encumbrance or involuntary sale or divestiture.

ARTICLE 13. Utilities

LESSEE shall make all provisions it deems necessary for connection to necessary utilities and shall pay the full cost and expense for installation and use of all said utilities. All such utilities shall be segregated by a separately metered account in LESSEE's name and LESSOR shall not be responsible for payment of any utility service used by LESSEE.

ARTICLE 14. Signs

14.1 Written Approval. Except with prior written approval of LESSOR, which may be withheld at LESSOR's sole discretion, LESSEE shall not erect, maintain or display any signs or any advertising at or on the exterior parts of the Premises or in the Premises so as to be visible from outside the Premises.

14.2 Removal. Upon the expiration or termination of the Lease, LESSEE shall remove, obliterate or paint out, as LESSOR may direct, at its sole discretion, any and all signs and advertising on the Premises and, in connection therewith, shall restore the portion of the Premises affected by such signs or advertising to the same conditions as existed prior to the placement of such signs or advertising. In the event of failure on the part of LESSEE to remove, obliterate or paint out each and every sign or advertising and to so restore the Premises, LESSOR may perform the necessary work and LESSEE shall pay these costs to LESSOR.

ARTICLE 15. Ingress and Egress

15.1 Use of Public Way. LESSEE its contractors, suppliers of material and furnishers of services, shall have the right of ingress and egress to the Premises via appropriate public way to be used in common with others having rights of passage within the Premises, provided that LESSOR may, from time to time, substitute other means of ingress and egress so long as an alternate adequate means of ingress and egress is available.

15.2 Road Closures. LESSOR may at any time temporarily or permanently close any such roadway, and any other area at the Premises presently or hereafter used as such, so long

as a means of ingress and egress is made available to LESSEE. LESSEE hereby releases and discharges LESSOR, its successors and assigns, of and from any and all claims, demands or causes of action which LESSEE may now or at any time hereafter have against any of the foregoing arising or alleged to arise out of the closing of any street, roadway, or other areas used as such, whether within or outside the Premises, provided that LESSOR makes available to LESSEE an alternate means of ingress and egress.

ARTICLE 16. Default and Termination Rights of LESSOR

16.1 Events of Default. The occurrence of any of the following events shall constitute a default of this Lease:

- A. LESSEE's failure to (i) pay the rent, or any other sums payable hereunder for a period of ten (10) days after written notice by LESSOR of the date due, or (ii) maintain the insurance required by Article 17, Insurance as required by this Lease;
- B. LESSEE's failure to observe, keep or perform any of the other terms, covenants, agreements or conditions of this Lease or in the Airport Rules and Regulations for a period of ten (10) days after written notice by LESSOR;
- C. The bankruptcy of LESSEE;
- D. LESSEE making an assignment for the benefit for creditors;
- E. A receiver or trustee being appointed for LESSEE or a substantial portion of LESSEE's assets;
- F. LESSEE's voluntary petitioning for relief under, or otherwise seeking the benefit of, any bankruptcy, reorganization, arrangement or insolvency law;
- G. LESSEE's vacating or abandoning the Premises;
- H. LESSEE's interest under this Lease being sold under execution or other legal process;
- I. LESSEE's interest under this Lease being modified or altered by any unauthorized assignment or subletting or by operation of law;
- J. Any of the goods or chattels of LESSEE used in, or incident to, the operation of LESSEE's business in the Premises being seized, sequestered, or impounded by virtue of, or under LESSOR of, any legal proceeding;
- K. LESSEE's failure to comply with its environmental obligations, any laws, programs or audits promulgated by LESSOR or applicable regulatory agencies which may be revised from time to time.

16.2 Remedies. In the event of any of the foregoing events of default, LESSOR, at its election, may exercise any one or more of the following options or remedies, the exercise of any

of which shall not be deemed to preclude the exercise of any others herein listed or otherwise provided by statute or general law at the same time or in subsequent times or actions:

- A. Terminate LESSEE's right to possession under the Lease and re-enter and retake possession of the Premises and relet or attempt to relet the Premises on behalf of LESSEE at such rent and under such terms and conditions as LESSOR may deem best under the circumstances for the purpose of reducing LESSEE's liability. LESSOR shall not be deemed to have thereby accepted a surrender of the Premises, and LESSEE shall remain liable for all rent, or other sums due under this Lease and for all damages suffered by LESSOR because of LESSEE's breach of any of the covenants of the Lease.
- B. Declare this Lease to be terminated, ended and null and void, and re-enter upon and take possession of the Premises whereupon all right, title and interest of LESSEE in the Premises shall end.
- C. Accelerate and declare the entire remaining unpaid rent for the balance of this Lease and any other sums due and payable forthwith and may, at once, take legal action to recover and collect the same.

16.3 Habitual Default. Notwithstanding the foregoing, in the event that the Tenant has frequently, regularly, or repetitively defaulted in the performance of or breached any of the terms, covenants, and conditions required herein to be kept and performed by the Tenant, and regardless of whether the Tenant has cured each individual condition of breach or default, the Tenant may be determined by the LESSOR to be an "habitual violator." At the time that such determination is made, the LESSOR shall issue to the Tenant a written notice advising of such determination and citing the circumstances therefore. Such notice shall also advise Tenant that there shall be no further notice or grace periods to correct any subsequent breaches or defaults and that any subsequent breaches or defaults of whatever nature, taken with all previous breaches and defaults, shall be considered cumulative, and collectively shall constitute a condition of non-curable default and grounds for immediate termination of this Agreement. In the event of any such subsequent breach or default, the LESSOR may terminate this Agreement upon the giving of written notice of termination to the Tenant, such termination to be effective upon delivery of the notice to the Tenant.

16.4 Additional Provisions. No re-entry or retaking possession of the Premises by LESSOR shall be construed as an election on its part to terminate this Lease, unless a written notice of such intention be given to LESSEE, nor shall pursuit of any remedy herein provided constitute a forfeiture or waiver of any rent or other monies due to LESSOR hereunder or of any damages accruing to LESSOR by reason of the violations of any of the terms, provision and covenants herein contained. LESSOR's acceptance of rent or other monies following any non-monetary event of default hereunder shall not be construed as LESSOR's waiver of such event of default. No forbearance by LESSOR of action upon any violation or breach of any of the terms, provisions and covenants herein contained shall be deemed or construed to constitute a waiver of the terms, provisions and covenants herein contained. Forbearance by LESSOR to enforce one or more of the remedies herein

provided upon an event of default shall not be deemed or construed to constitute a waiver of any other violation or default. Legal actions to recover for loss or damage that LESSOR may suffer by reason of termination of this Lease or the deficiency from any reletting as provided for above shall include the expense of repossessions or reletting and any repairs or remodeling undertaken by LESSOR following repossession.

16.5 Waiver of Jury Trial. LESSOR and LESSEE shall, and they hereby do, waive trial by jury in any action, proceeding, or counterclaim brought by either of the parties hereto against the other on any matters whatsoever arising out of, or in any way connected with, this Lease, the relationship of LESSOR and LESSEE, LESSEE's use or occupancy of the Premises and/or building, and/or claim or injury or damage. In the event LESSOR commences any proceeding to enforce this Lease or LESSOR/LESSEE relationship between the parties or for nonpayment of rent (of any nature whatsoever) or additional monies due LESSOR from LESSEE under this Lease, LESSEE will not interpose any counterclaim of whatever nature or description in any such proceedings. In the event LESSEE must, because of applicable court rules, interpose any counterclaim or other claim against LESSOR in such proceedings, LESSOR and LESSEE covenant and agree that, in addition to any other lawful remedy of LESSOR, upon motion of LESSOR, such counterclaim or other claim asserted by LESSEE shall be severed out of the proceedings instituted by LESSOR and the proceedings instituted by LESSOR may proceed to final judgment in the Superior Court of _____, separately and apart from and without consolidation with or reference to the status of each counterclaim or any other claim asserted by LESSEE.

16.6 Time of the Essence. Time is of the essence of this Lease; and in case LESSEE shall fail to perform the covenants or conditions on its part to be performed at the time fixed for the performance of such respective covenants or conditions by the provisions of this Lease, LESSOR may declare LESSEE to be in default of such Lease.

ARTICLE 17. Insurance

LESSEE shall provide, pay for, and maintain insurance per the **AIRPORT NAME** Minimum Standards, as may be revised from time to time or the types of insurance described herein, whichever is greater. All insurance shall be from responsible companies approved by LESSOR and authorized to do business in the State of _____. All liability insurance policies of LESSEE required herein shall provide a severability of interest provision. The insurance coverages and limits required shall be evidenced by properly executed certificates of insurance. Each certificate shall be an original, signed by the authorized representative of the insurance company shown on the certificate with proof that he/she is an authorized representative thereof attached. The required policies of insurance shall be performable in _____, and shall be construed in accordance with the laws of the State of _____.

All certificates shall provide that thirty (30) days' prior written notice, by registered or certified mail, return receipt requested, shall be given LESSOR of any cancellation, intent not to renew, reduction in the policies' coverages, or other material alteration. In the event of a reduction in any aggregate limit, LESSEE shall take immediate steps to have it reinstated. If at any time LESSOR requests a written statement from the insurance company as to any impairments to the aggregate Limit, LESSEE shall promptly deliver such statement to LESSOR. LESSEE shall make up

any impairment when known to it. LESSEE authorizes LESSOR to confirm all information, as to compliance with the insurance requirements herein, with LESSEE's insurance agents, brokers, and insurance carriers. All insurance coverages of LESSEE shall be primary as regards any insurance or self-insurance program carried by LESSOR.

The acceptance of delivery by LESSOR of any certificate of insurance evidencing LESSEE's insurance coverages and limits does not constitute approval or agreement by LESSOR that the insurance requirements have been met or that the insurance policies shown in the certificates of insurance are in compliance with the requirements herein.

The certificates of insurance, or other evidence, must be filed with and approved by LESSOR prior to any activity being performed on the Premises by LESSEE. LESSEE shall, before commencement of any work on the Premises, furnish LESSOR evidence that the contractor(s) is covered to the reasonable satisfaction of LESSOR.

The insurance coverages and limits required of LESSEE are designed to meet the minimum requirements of LESSOR. They are not designed as a recommended insurance program for LESSEE. LESSEE alone shall be responsible for the sufficiency of its own insurance program.

LESSEE and LESSOR understand and agree that the limits of the insurance herein required may become inadequate based on LESSEE's activities and industry practices, and LESSEE agrees that it will increase such limits within thirty (30) days after receipt of notice in writing from LESSOR.

If any liability insurance required herein is to be issued or renewed on a "claims made" form as opposed to the "occurrence" form, the retroactive date for coverage shall be no later than the commencement date of the Lease and shall provide that in the event of cancellation or non-renewal, the discovery period for insurance claims (Tail Coverage) shall be unlimited.

All of the required insurance coverages shall be issued as required by law and shall be endorsed, where necessary, to comply with the minimum requirements contained herein. Submissions required by this Article shall be given to:

AIRPORT OWNER NAME and ADDRESS

Renewal Certificates of Insurance shall be provided to LESSOR a minimum of thirty (30) days prior to expiration of current coverages.

LESSOR may terminate or suspend this Lease at any time should LESSEE fail to provide or maintain: the insurance coverages required in this Lease, evidenced by documentation acceptable to LESSOR.

The amounts and types of insurance shall conform to the following minimum requirements with the use of Insurance Service Office (ISO) policies, forms, and endorsements or broader where applicable. Notwithstanding the foregoing, the wording of all policies, forms, and endorsements must be acceptable to LESSOR.

1. **Workers' Compensation and Employers' Liability.** Insurance in accordance with the State of _____ Statutory Requirements. (Note required for operations of a business.)
2. **Commercial General Liability.** Insurance, including Premises & Operations, Personal Injury, Contractual for this Lease, Independent Contractors, and Broad Form property Damage including Completed Operations.

Limits of coverage shall not be less than:

\$1,000,000 Combined Single Limit each occurrence Bodily Injury, Personal Injury and Property Damage Liability,

OR

\$1,000,000 each occurrence and aggregate for liability associated with all operations under this specific lease. The aggregate limits shall be separately applicable to this Lease.

3. **Automobile Liability.** Insurance shall be maintained by LESSEE as to the ownership, maintenance and use of all owned, non-owned, leased or hired vehicles which are tagged and used commercially on LESSOR's premises with limits of not less than:

Bodily Injury Liability accident	\$1,000,000 limit each person/\$1,000,000 limit each
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Property Damage Liability	\$1,000,000 limit each accident
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OR

Bodily Injury and	\$1,000,000 Combined Single Limit each occurrence
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Property Damage Liability	
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4. **Umbrella Liability or Excess Liability.** Insurance, shall not be less than **\$2,000,000** each occurrence and aggregate. The limits of primary liability insurance for the General Liability and Employers' Liability insurance coverages required in this section shall be not less than **\$1,000,000** Combined Single Limit each occurrence and aggregate where applicable for Bodily Injury, Personal Injury, and Property Damage liability.
5. **Environmental Pollution Legal Liability.** *(Include if applicable to lessee's operation)* LESSEE shall agree to maintain Environmental Pollution Liability Legal Liability, at a minimum limit not less than **\$2,000,000 per occurrence/\$2,000,000 annual aggregate** providing coverage for damages against, but not limited to, third-party liability, clean up, corrective action including assessment, remediation and defense costs. The coverage may be provided on a stand-alone policy or by way of endorsement to the Commercial General Liability policy. **When a self-insured retention or deductible exceeds \$10,000, the LESSOR reserves the right, but not the obligation, to review and request a copy of the LESSEE's most recent annual report or audited financial statements to evaluate the acceptability of a higher self-insured retention**

or deductible in relationship to the LESSEE's financial condition. Coverage shall be endorsed to include the LESSOR as an Additional Insured.

6. **Additional Insured** LESSEE agrees to endorse LESSOR as an Additional Insured with a CG2026 Additional Insured – Designated Person or Organization endorsement, or similar endorsement, to the Commercial General Liability and Business Automobile Liability. The Additional Insured shall read **"OWNER NAME."**
7. **Right to Revise or Reject** LESSOR reserves the right, but not the obligation, to review and revise any insurance requirement, not limited to limits, coverages and endorsements based on insurance market conditions affecting the availability or affordability of coverage; or changes in the scope of work/specifications affecting the applicability of coverage. Additionally, the LESSOR reserves the right, but not the obligation, to review and reject any insurance policies failing to meet the criteria stated herein or any insurer providing coverage due of its poor financial condition or failure to operate legally.

ARTICLE 18. Indemnification

LESSEE agrees to protect, defend, reimburse, indemnify and hold LESSOR, its agents, employees and elected officers and each of them (collectively, "LESSOR Indemnitees"), free and harmless at all times from and against any and all claims, liability, expenses, losses, costs, fines and damages (including, without limitation, attorney fees and costs incurred prior to trial, at trial, on any appeal, and in any bankruptcy proceeding) and causes of action of every kind and character, known or unknown, against or any LESSOR Indemnitee by reason of any damage to property or the environment, including any contamination of Airport property such as the soil or storm water by fuel, gas, chemicals or other substances deemed by the EPA to be environmental contaminants at the time this Lease is executed or as may be redefined by the appropriate regulatory agencies in the future or bodily injury (including death) incurred or sustained by any party hereto, any agent or employee of any party hereto, and any third or other party whomsoever, or any governmental agency, arising out of or incident to or in connection with LESSEE's performance under this Lease, LESSEE's use or occupancy of the Premises, LESSEE's acts, omissions or operations hereunder or the performance, nonperformance or purported performance of LESSEE or any breach of the terms of this Lease. LESSEE recognizes the broad nature of this indemnification and hold harmless clause, and acknowledges that LESSOR would not execute this Lease without this indemnity. This clause shall survive the expiration or termination of this Lease. Compliance with the insurance requirements as attached hereto shall not relieve LESSEE of its liability or obligation to indemnify LESSOR as set forth in this Article.

ARTICLE 19. Compliance with Laws, Regulations, Ordinances, Rules

LESSEE shall at all times comply with applicable federal, state and local laws and regulations, Airport Rules and Regulations, Airport Minimum Standards, and the LESSOR **Leasehold Development Standards (recommend establish development standards to document expected quality, visual appearance, set back etc. of development on the airport)**, and other mandates whether existing or as promulgated from time to time by the federal, state or local government, or LESSOR including but not limited to permitted and restricted activities, security matters, parking, ingress and egress, environmental and storm water regulations and any other

operational matters related to the operation of the Airport. This shall include, but not be limited, to LESSEE precluding its employees, agents, customers or invitees from entering upon any restricted area of the Airport as noted in procedures, rules or regulations of the Federal, State or Local Governments or the LESSOR.

ARTICLE 20. Environmental Regulations

20.1 Environmental Representations

Notwithstanding any other provisions of this Lease, and in addition to any and all other Lease requirements, and any other covenants and warranties of LESSEE, LESSEE hereby expressly warrants, guarantees, and represents to LESSOR, upon which LESSOR expressly relies that:

- A LESSEE is knowledgeable of any and all federal, state, regional and local governmental laws, ordinances, regulations, orders and rules, without limitation which govern or which in any way apply to the direct or indirect results and impacts to the environmental and natural resources due to, or in any way resulting from, the conduct by LESSEE of its operations pursuant to or upon the Premises. LESSEE agrees to keep informed of future changes in environmental laws, regulations and ordinances;
- B LESSEE agrees to comply with all applicable federal, state, regional and local laws, regulations and ordinances protecting the environmental and natural resources and all rules and regulations promulgated or adapted as some may from time to time be amended and accepts full responsibility and liability for such compliance;
- C LESSEE shall, prior to commencement of any such operations pursuant to this Lease, secure any and all permits, and properly make all necessary notifications as may be required by any and all governmental agencies having jurisdiction over parties or the subject matter hereof;
- D LESSEE, its employees, agents, contractors, and all persons working for, or on behalf of LESSEE, have been fully and properly trained in the handling and storage of all such hazardous waste materials and other pollutants and contaminants; and such training complies with any and all applicable federal, state and local laws, ordinances, regulations, rulings, orders and standards which are now or are hereinafter promulgated;
- E LESSEE agrees that it will neither handle nor store any toxic waste materials on the Premises.
- F LESSEE shall provide LESSOR satisfactory documentary evidence of all such requisite legal permits and notifications as hereinabove required.
- G LESSEE agrees to cooperate with any investigation, audit or inquiry by LESSOR or any governmental agency regarding possible violation of any environmental law or regulation.

20.2. Generator of Hazardous Waste. *Include if applicable to Lessee.* If LESSEE is deemed to be a generator of hazardous waste, as defined by state, federal, or local law, LESSEE shall obtain an EPA identification number and the appropriate generator permit and shall comply with all federal, state, regional and local requirements imposed upon a generator of hazardous waste including, but not limited to, ensuring that the appropriate transportation and disposal of such materials are conducted in full compliance with the law.

20.3. Inventory List. LESSEE shall maintain an accurate inventory list (including quantities) of all such hazardous, and other contaminated or polluted materials, whether stored, disposed of or recycled, available at all times for inspection at any time on the Premises by LESSOR officials and also by Fire Department Officials or regulatory personnel having jurisdiction over the Premises, for implementation of proper storage, handling and disposal procedures.

20.4. Notification and Copies. Notification of all hazardous waste activities by LESSEE shall be provided on a timely basis to LESSOR or such other agencies as required by law. LESSEE agrees a twenty-four (24)-hour emergency coordinator and phone number shall be furnished to LESSOR and to such appropriate governmental entities, in case of any spill, leak or other emergency situation involving hazardous, toxic, flammable or other pollutants or contaminated materials. Designation of this emergency coordination may be required by existing federal, state, regional or local regulations.

LESSEE agrees to provide LESSOR copies of all permit application materials, permits, monitoring reports, environmental response plan, and regulated materials storage and disposal plans, within ten (10) days prior to their required submittal to regulatory agencies having jurisdiction over such matters.

20.5. Violation.

- A. If LESSOR receives a notice from any governmental entity asserting a violation by LESSEE of LESSEE's covenants and agreements contained herein, or if LESSOR otherwise has reasonable grounds upon which to believe that such a violation has occurred, LESSOR shall have the right, but not the obligation, to contract, at LESSEE's sole cost and expense, for the services of persons ("Site Reviewers") to enter the Premises and perform environmental site assessments for the purpose of determining whether there exists any environmental condition that could result in any liability, cost or expense to LESSOR. The Site Reviewers shall perform such tests on the Premises as may be necessary, in the opinion of the Site Reviewers, to conduct a prudent environmental site assessment. LESSEE shall supply such information as is requested by the Site Reviewers.
- B. If LESSEE receives a Notice of Violation or similar enforcement action or notice of noncompliance, LESSEE shall provide a copy of same to LESSOR within twenty-four (24) hours of receipt by LESSEE or LESSEE's agent. Violation of any part of the provisions of this Article or disposition by LESSEE of any sanitary waste, pollutants, contaminants, hazardous waste, toxic waste, industrial cooling water, sewage or any other materials

in violation of the provisions of this Article shall be deemed to be a default under this Lease if not cured within **ten (10) days** of receipt of notice from LESSOR shall be grounds for termination of this Lease, and shall also provide LESSOR grounds for taking whatever other action it may have in addition to termination based upon default as provided for under this Lease.

ARTICLE 21. Federal Storm Water Regulations

LESSEE acknowledges that certain properties and uses of properties within the Airport or on LESSOR owned land are subject to Federal storm water regulations as set forth in 40 CFR Part 122. LESSEE agrees to observe and abide by said regulations as applicable to the Premises thereof.

LESSEE agrees to participate in any LESSOR-organized task force or other work group established to coordinate storm water activities at the Airport. In addition, LESSEE agrees to participate in LESSOR's Environmental Compliance Program and is subject to and agrees to periodic inspections conducted by Airport staff to monitor the management, handling, storage, and disposal practices associated with any petroleum substances, hazardous substances, or waste materials. ***(Note: this participation should align with local committees or work groups as most airports hold the stormwater permit and the Lessee are considered co-permittees.)***

LESSEE shall be strictly liable for, and hereby expressly assumes all responsibility for all citations, fines, environmental controls and monitoring, clean-up and disposal, restoration and corrective measures resulting from or in any way connected with the improper use, handling, storage or disposal of all pollutants or contaminated materials, as same are defined by law, by LESSEE or by LESSEE's employees, invitees, suppliers or service or providers of materials or any other person whomsoever, regardless of whether or not a default notice has been issued and notwithstanding any other obligations imposed upon LESSEE pursuant to the terms of this Lease.

ARTICLE 22. Environmental Inspection

Within the last **sixty (60) days** of the Lease or after Lease termination, LESSOR shall have the right to have an environmental inspection performed to determine the status of any hazardous substances or hazardous waste as defined by the Comprehensive and Environmental Response, Compensation and Liability Act of 1980 (CERCLA), 42 U.S.C. section 9601(14) pollutants or contaminants as defined in CERCLA, 42 U.S.C. section 9604 (A)(2) or hazardous waste as defined in the Resource Conservation and Recovery Act (RCRA) 42 U.S.C. section 6903(5) or other similar applicable federal or state laws and regulations, including, but not limited to asbestos, PCB's, urea formaldehyde, and radon gas existing on the Premises or whether any said substances have been generated, released, stored or deposited over, or presently exist beneath or on the Premises from any source.

LESSEE hereby expressly agrees to indemnify and hold LESSOR harmless from and against any and all liability for fines and physical damage to property or injury or deaths to persons, including reasonable expense and attorney's fees, arising from or resulting out of, or in any way caused by, LESSEE's failure to comply with any and all applicable federal, state, and local laws, ordinances, regulations, rulings, orders and standards, now or hereafter promulgated for the purpose of protecting the environment. LESSEE understands that this indemnification is in addition to and is

a supplement of LESSEE's indemnification set forth in other provisions of this Lease and LESSEE is in full understanding to the extent of this indemnification and hereby expressly acknowledges that it has received full and adequate consideration and that LESSOR would not execute this Lease without this Indemnity. This provision of the lease shall survive termination of the Lease.

With regard to any contamination caused by LESSEE or arising by reason of LESSEE's use or occupancy of the Premises, LESSEE shall immediately take such action as is necessary to clean up and remediate the Premises at its own expense in accordance with applicable federal, state, and local law. The remediation must continue until the applicable governmental authorities have determined that no further action is necessary. If the LESSOR is unable to lease the Premises during the period of cleanup and remediation due to the environmental condition or cleanup work being performed, in addition to any other damages, LESSEE shall be responsible for payment of lost rent or lost use to the LESSOR.

The firm(s) conducting the site inspection or the site cleanup work must be qualified and approved by LESSOR, and the methodology used by such firm shall be consistent with the then current engineering practices and methods required by the State of _____ or the United States government and be acceptable to LESSOR.

LESSEE understands and agrees that it is strictly liable for any environmental violation or harm, or any contamination to the soil or the water table under the Premises caused by LESSEE or occurring by reason of LESSEE's use or occupancy of the Premises. Said liability shall extend beyond the term of the Lease until the Premises are retested and determined to be free of contamination.

ARTICLE 23. Storage Tanks

LESSEE agrees that it will not have any underground or above ground storage tanks on the Premises unless specifically authorized in writing by LESSOR. If any tank is authorized by LESSOR, LESSEE covenants and agrees that it will comply with all Federal, State and local laws and regulations concerning the installation, operation, maintenance and inspection of above ground and underground storage tanks ("Tanks") including financial responsibility requirements.

ARTICLE 24. FAA Approval and Requirements

24.1 FAA Approval. This Lease may be subject to approval of the Federal Aviation Administration (herein referred to as the "FAA"). If the FAA disapproves or does not concur with the Lease, either party may terminate the Lease by providing written notice.

24.2 Non-Exclusive Right. This Lease Agreement shall not be deemed a grant of any exclusive right for the use of the **AIRPORT Name** or the granting of exclusive rights prohibited by any state, federal or local statutes or regulations.

ARTICLE 25. Americans with Disabilities Act

LESSEE shall comply with the requirements of "The Americans with Disabilities Act" (ADA) as published in the Federal Register, Volume 56, **and ADD ANY STATE REQUIREMENTS**. Additionally, the LESSOR shall comply with the requirements of the ADA in its design and construction on the Premises.

ARTICLE 26. Nondiscrimination

LESSEE, for itself, its 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 Airport facilities; and (2) that LESSEE shall use the Airport Premises in compliance with all requirements imposed or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination 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. In the event of breach of any of the above nondiscrimination covenants, LESSOR shall have the right to terminate the Lease.

ARTICLE 27. Rights Reserved to LESSOR

Rights not specifically granted to LESSEE by this lease are expressly and independently reserved to LESSOR. LESSOR expressly reserve(s) the right to prevent any use of the described Premises which would interfere with or adversely affect the operation or maintenance of the Airport, or otherwise constitute an Airport hazard.

ARTICLE 28. Right to Entry

LESSOR shall have the right to enter the Premises after **twenty four (24) hours notice** to LESSEE and at reasonable times to inspect the Premises for the purpose of determining whether LESSEE is in compliance with the requirements of this Lease. If upon inspecting the Premises, the LESSOR reasonably determines that the LESSEE is not in compliance with this Lease, the LESSOR shall provide the LESSEE with a written notice of noncompliance listing the maintenance and repair items that are in noncompliance. If the LESSEE does not initiate corrective action to cure the items in noncompliance within **ten (10) calendar days** and pursue in a diligent manner to complete actions to cure said noncompliance, the LESSOR may cure said noncompliance items. In the event the LESSOR cures noncompliance items, the LESSEE agrees to be liable to **the LESSOR for payment of all costs incurred by the LESSOR, including costs and administrative overhead fee of twenty five percent (25%), which shall be due and payable to the LESSOR within thirty (30) calendar days from the date of written notice from the LESSOR.**

ARTICLE 29. Right of Flight

It shall be a condition of this Lease that LESSOR reserves unto itself, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the real property owned by LESSOR, together with the right to cause in

said airspace, such noise as may be inherent in the operation of aircraft, now known or hereafter used, for navigation of or flight in the said airspace, and for use of said airspace for landing on, taking off from or operating on the Airport.

LESSEE further expressly agrees for itself, its successors and assigns to restrict the height of structures, objects of natural growth and other obstruction on Premises to such a height so as to comply with Federal Aviation Regulation, Part 77.

ARTICLE 30. Airport Noise

As the LESSEE of the Premises, I hereby certify that I am aware that the Premises may be exposed to significant noise level and/or accident potentials or may be subject to certain restrictions on the development, construction methods (including special lighting restrictions) and use of property. I further acknowledge that I am aware, as a result of the proximity of the Premises to the airport, airport operations may affect the quiet enjoyment and use of the Premises. Additionally, I acknowledge that airport operations may change due to changes in type of aircraft operating, changes in flight paths and general operations of the airport, and changes resulting from expansion, reconfiguration or additional runways.

ARTICLE 31. Property Rights Reserved

This Lease shall be subject and subordinate to all the terms, and conditions of any instruments and documents under which LESSOR acquired the land or improvements thereon, of which said Premises are a part, and shall be given only such effect as will not conflict with nor be inconsistent with such terms and conditions. LESSEE understands and agrees that this Agreement shall be subordinate to the provisions of any existing or future agreement between LESSOR and the United States of America, the State of _____, or any of its agencies, 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 grant or receipt of federal funds for the development of the Airport, and to any terms or conditions imposed upon the Airport by any other governmental entity.

ARTICLE 32. Quiet Enjoyment

LESSOR covenants that LESSEE shall and may peaceably and quietly have, hold and enjoy the demised Premises and all parts thereof for the term hereby granted, subject to the terms and provisions hereof.

ARTICLE 33. Eminent Domain

In the event any federal, state or local governmental entity shall, by exercise of the right of eminent domain or any other power, acquire title in whole or in part of the Airport, including any portion assigned to LESSEE, LESSEE shall have no right of recovery whatsoever against LESSOR but shall make its claim for compensation solely against such governmental entity.

ARTICLE 34. Subordination of Bond Resolution

This Lease and all rights of LESSEE hereunder are expressly subordinated and subject to the lien

and provisions of any pledge, transfer, hypothecation, or assignment made (at any time) by LESSOR to secure Bond financing. This Lease is subject and subordinate to the terms, covenants, and conditions of any Bond Resolution heretofore or hereafter adopted that authorizes the issuance of Bonds by LESSOR. LESSOR may amend or modify the Bond Resolution or make any change thereto. Conflicts between this Lease and the Bond Resolution shall be resolved in favor of the Bond Resolution.

ARTICLE 35. Federal Right to Reclaim

In the event a United States governmental agency shall demand and take over the entire facilities of the Airport or the portion thereof wherein the Premises are located, for public purposes, then this Lease shall hereupon terminate and LESSOR shall be released and fully discharged from any and all liability hereunder. In the event of such termination, LESSEE's obligation to pay rent shall cease, however, nothing herein shall be construed as relieving LESSEE from any of its liabilities relating to events or claims of any kind whatsoever prior to this termination.

ARTICLE 36. Force Majeure

Neither the LESSOR nor LESSEE shall be deemed in violation of the Lease if it is prevented from performing any of its obligations hereunder by reasons of Acts of God, acts of the public enemy, acts of superior governmental authority, weather conditions or any other circumstances for which are not in its control. In the event of circumstances as outlined above the LESSOR and LESSEE shall mutually agree upon an equitable adjustment of the rates, fee and charges payable to the LESSOR, determined by the precise nature of the events causing the non-performance of the LESSEE's obligation hereunder.

ARTICLE 37. Surrender of Premises

For existing Premises owned by the airport sponsor and leased to the LESSEE. LESSEE shall surrender up and deliver the leased Premises to LESSOR upon expiration or termination of this Lease in the same condition as existed at the commencement of the Lease, ordinary wear and tear excepted. Provided LESSEE is not in violation of any of the terms and conditions herein or in default in the payment of rents, fees and any charges required under this Lease, LESSEE, at the termination of this Lease, shall remove all of its personal property from the Premises forthwith. Failure on the part of LESSEE to remove its personal property on the date of termination shall constitute a gratuitous transfer of title thereof to LESSOR for whatever disposition is deemed to be in the best interest of LESSOR. Any costs incurred by LESSOR in the disposition of such personal property shall be borne by LESSEE.

ARTICLE 38. Title to Improvements

For improvements built by the LESSEE and reverting to the LESSOR at the end of the lease. All permanent improvements of whatever kind or nature, including but not limited to, all buildings and all equipment installed therein which, under the laws of the State of _____, are part of the realty, heating and air conditioning equipment, interior and exterior light fixtures, fencing, landscaping, paving, tie-down facilities and all other permanent improvements which become

part of the realty placed upon the Premises, with or without consent of LESSOR, shall become and be deemed to be a part of the Premises, shall be free and clear of all liens and shall become the property of LESSOR, upon termination or default of this Lease and shall remain on the Premises unless otherwise directed by the LESSOR. Title to all personal property, furnishings and trade fixtures, unless paid for by the LESSOR, shall be and remain with LESSEE and may be removed from the Premises at any time, provided LESSEE is not then in default thereunder, and further provided LESSEE exercises care in the removal of same and repairs any damage to the Premises caused by said removal. Personal property, furnishing and trade fixtures which are paid for by the LESSOR shall be titled to the LESSOR, and shall not be removed from the Premises without prior written consent of the LESSOR. Upon written demand, LESSEE shall execute and deliver to the LESSOR a proper document on conveyance evidencing such transfer or title. In the event a reputable, independent engineer is hired by the LESSOR and such engineer determines that the structures have reached the end of their useful life, the LESSEE shall remove the structures at no cost to the LESSOR.

ARTICLE 39. No Acceptance of Surrender

No act or thing done by LESSOR or LESSOR's agents or employees during the term of this Lease shall be deemed an acceptance of the surrender of this Lease and no acceptance of a surrender shall be valid unless in writing.

ARTICLE 40. Personal Property

Any personal property of LESSEE or of others placed in the leased Premises shall be at the sole risk of LESSEE or the owners thereof, and LESSOR shall not be liable for any loss or damage thereto, irrespective of the cause of such loss or damage, and LESSEE hereby waives all rights of subrogation or recovery from LESSOR for such damage, destruction or loss.

ARTICLE 41. Corporate Tenancy

If LESSEE is a corporation or limited liability company, the undersigned officer of LESSEE hereby warrants and certifies to LESSOR that LESSEE is a corporation or limited liability company in good standing and is authorized to do business in the State of _____ and shall provide proof of good standing to LESSOR. The undersigned officer of LESSEE hereby further warrants and certifies to LESSOR that he or she, as such officer, is authorized and empowered to bind the entity to the terms of this Lease by his or her signature thereto. Upon execution hereof, LESSEE shall provide to the LESSOR a letter, advising LESSOR of all persons or entities owning 5% or more of the voting interest of the corporation or limited liability corporation. If there shall occur any change in the ownership of and/or power to vote the majority of the outstanding capital stock or membership interest of LESSEE, whether such change or ownership is by sale, assignment, bequest, inheritance, operation of law or otherwise, without the prior written consent of LESSOR, then LESSOR shall have the option to declare this as an event of default under the Lease and terminate this Lease upon thirty (30) days' written notice to LESSEE. Furthermore, LESSEE shall have an affirmative obligation to notify immediately LESSOR of any such change.

ARTICLE 42. Applicable Law and Venue

This Lease shall be construed in accordance with the laws of the State of [REDACTED]. Venue for any action brought pursuant to this Lease shall be in [REDACTED] County, [REDACTED]. Any action for breach of or enforcement of any provision of this Lease shall be brought in the court of appropriate jurisdiction in and for [REDACTED] County, [REDACTED].

ARTICLE 43. Attorney’s Fees and Costs

In the event legal action is required hereunder to enforce the rights of the parties pursuant to this Lease each party in such action shall pay its own costs and attorney's fees, including appellate fees.

ARTICLE 44. Invalidity of Clauses

The invalidity of any portion, article, paragraph, provision or clause of this Lease shall have no effect upon the validity of any other part of portion thereof

ARTICLE 45. Notices and Communications

All notices or other communications to LESSOR or to LESSEE pursuant hereto shall be deemed validly given, served, or delivered, upon delivery in person or by courier service, and if mailed upon **three (3) days** after deposit in the United States mail, certified and with proper postage and certified fee prepaid, addressed as follows:

TO LESSOR:

TO LESSEE:

AIRPORT OWER AND ADDRESS

LESSE NAME AND ADDRESS

or to such other address as the addressee may designate in writing by notice to the other party delivered in accordance with the provisions of this paragraph.

ARTICLE 46. Relationship of the Parties

LESSEE is and shall be deemed to be an independent contractor and operator responsible to all parties for its respective acts or omissions, and LESSOR shall in no way be responsible for such acts or omissions.

ARTICLE 47. Miscellaneous

All of the terms and provisions hereof shall be binding upon and the benefits inure to the parties hereto and their heirs, personal representatives, successors and assigns. Wherever used, the singular number shall include the plural, the plural the singular and the use of any gender shall include all genders. This Lease represents the complete agreement between the parties and any prior understandings or representations, whether written or verbal, are hereby superseded. This Lease may subsequently be amended only by written instrument signed by the LESSOR and LESSEE hereto.

IN WITNESS WHEREOF, the LESSOR and LESSEE have hereunto set their hands and seals the day and year first above written.

LESSOR:
AIRPORT OWNER NAME

LESSEE:
LESSEE NAME

BY: _____
Printed Name: _____
Title: _____

BY: _____
Printed Name: _____
Title: _____

LESSEE ADDRESS:

WITNESSES FOR LESSOR:

Signature

Name Printed

WITNESSES FOR LESSEE

Signature

Name Printed

APPENDIX III
Hangar Waiting List
Policy and Application
Template



(Insert Airport Name Here)
Hangar Waiting List Application

Aircraft Registered Owner(s) Submitting this Application:

Name(s): _____

Street/Mailing Address: _____

City: _____

Telephone: _____ home/work/mobile

Email Address: _____

Aircraft Information:

FAA N-Number: _____

Aircraft Year, Make & Model: _____

Aircraft is:

_____ Currently based at the airport in a _____ T-Hangar or _____ on Tie Down

_____ Awaiting purchase and/or delivery

_____ A homebuilt, hangar will be used to complete construction

_____ Based at another airport, please list location _____

Aircraft has a current FAA annual inspection _____ Yes _____ No

Hangar Size Preference

_____ T-Hangar

_____ Community Hangar

_____ Corporate Hangar, Size Requested _____ x _____

Please return this form to:

(Insert Airport Name)

(Insert Airport Mailing Address)

(Insert Airport Email Address)

(Insert Airport phone number)

The applicant acknowledges receipt of a copy of the (Insert Airport Name Here) Airport's Hangar Waiting List Policy. I understand this policy applies to my application for hangar space and that a nonrefundable deposit of \$ (Insert Deposit Amount) accompanies this application, which shall be credited to the first month's rental fee upon assignment of a hangar. I understand that in addition to the deposit an annual fee of \$ (Insert Annual Fee Amount) will be charged on the anniversary date of this application, in order to retain my space on the waiting list. The annual fee will not be credited towards the hangar rental fee. If payment of the annual fee is not paid within 60 days, I understand I will be removed from the waitlist and forfeit my deposit.

Name of Applicant: _____

Signature of Applicant: _____

Date of Application: _____

To Be Completed By Airport Management:

Date Application & Deposit Received: _____

Amount of Deposit Received _____

By: _____ Title: _____

Airport Hangar Waiting List Policy (Insert Airport Name)

GENERAL

Hangars owned by the airport are intended for storage of registered and airworthy aircraft by the registered owner(s). This policy governs the waiting list for access and rental of airport-owned hangars.

Hangars will only be offered to persons on the Hangar Waiting List. In order for a person to be placed on this list, the individual shall complete and file a hangar waiting list application with the airport manager and submit a nonrefundable **\$(deposit amount)** deposit at the time of application. This deposit shall be applied to the first month's rental fee when hangar space is assigned.

Applicants are allowed to submit multiple waiting list applications if multiple units are desired for storage of aircraft at the airport. Applicants are solely responsible for maintaining a current email, physical address and telephone number with airport staff.

Applicants who are building their own aircraft are eligible only for a hangar for final assembly of the aircraft. Home built aircraft must be airworthy within one (1) year of taking possession of a hangar.

The airport reserves the right to deviate from the waiting list priority in emergency or special circumstances and only with the approval of the airport's governing board or designee. The airport shall incur no liability for such assignment to any party.

POSITION ON THE WAITING LIST

Position on the waiting list shall be determined by the date the application is received by the airport. Hangar size preference will be documented at the time of entry onto the waiting list. Hangar size preference can be changed at any time by filing a request with airport management via mail, e-mail, or by phone.

All applicants, both existing and future, will be assessed a non-refundable annual administrative fee of **\$(administrative fee)** established by the airport to remain on the waiting list. Applicants who fail to submit the annual renewal fee by January 31st will be removed from the Hangar Waitlist. Applicants removed from the waiting list are eligible to reapply by submitting a new application and nonrefundable deposit.

Positions on the waiting list shall not be transferred, traded, or sold. Persons removed from the waiting list may restore their names to the bottom of the waiting list by making a new application.

Applicants may request removal from the hangar waiting list at any time. Requests for reinstatement will be treated as a new application.

HANGAR LEASE OFFERS

Hangar lease offers shall be made chronologically by oldest date/time to the most recent. The offer of a vacant hangar shall be made by phone and via email from airport management. The applicant will have (# of days) business days following the date that the call and email was transmitted to respond to the offer. The applicant must have an aircraft registered to the applicant or corporate entity under ownership or management of the applicant in the hangar within 60 days from the commencement of the hangar rental agreement. Failure to place a registered aircraft in the hangar within 60 days may result in termination of the hangar rental agreement at the sole discretion of the airport manager.

Once the (# of days) have expired without a response, the (insert Airport Name) will offer the hangar to the responsive individual that has the highest priority on the waitlist. Notifications shall be made by telephone or electronically through email.

When the top position on the list has been vacated, by acceptance of a hangar or following removal, the next individual on the list will be notified by Airport Management via email and phone of their position at the top of the list.

PASS-OVER POLICY

Every effort shall be made to contact the top position on the waiting list by email and telephone, as hangars become available. A "decline" or "not interested" response, non-contact, or failure to respond within ten business days will be considered a pass-over. Each hangar applicant is permitted one pass-over. Following a second pass-over, applicants will be moved to the bottom of the waiting list.

An applicant's rejection of a hangar offer based on insufficient space for the owned aircraft, as validated by Airport Management after review of the applicant's aircraft registration number, or for a hangar which does not match the hangar-size preference on the waiting list will not be considered a pass-over.

HANGAR UNIT ACCEPTANCE

Upon acceptance and assignment of a hangar space, applicants are required to enter into a hangar lease agreement effective on the date of the acceptance of the hangar space. Violation of the terms and conditions of the lease agreement or Airport Rules and Regulations can result in termination of the lease agreement. Additionally, applicants are required to provide a copy of the FAA issued Aircraft Registration and a certificate of insurance naming the (insert airport name) as an additional insured on the aircraft insurance policy. For hangars that will house more than one aircraft, all aircraft must be registered in the name of the applicant.

HANGAR RELOCATION/TRANSFERS

Existing hangar tenants will be provided first preference at transferring to another hangar. To identify an interest in transferring hangars, the lessee of a hangar unit must provide notice to airport management with a request to transfer to another unit in addition to the details (type/size/location) of the hangar that the individual is interested in transferring to.

SALE OF AIRCRAFT

If an existing hangar tenant sells their aircraft, the tenant will have sixty (60) days to acquire another aircraft before the hangar rental agreement is terminated. Hangar rental agreements are not transferable with the sale of an aircraft. The new owner will be required to submit a Hangar Waiting List Application and will be added to the bottom of the list.

This policy is adopted by the (insert Airport's governing body) at its meeting held on (insert Month, Day, Year).

APPENDIX IV
Hangar Inspection Policy
Template



(Insert Airport Name)
Hangar Compliance Inspection Policy

The Federal Aviation Administration (FAA) requires that airport sponsors comply with federal grant assurances and the provisions of FAA's Airport Compliance Program. The (insert name of airport's governing body) as the airport sponsor, adopts this Hangar Compliance Inspection Policy to comply with these requirements, including FAA's "Policy on the Non-Aeronautical Use of Airport Hangars," published in the Federal Register, which took effect July 1, 2017.

The following provisions are adopted to ensure that aircraft hangars at the (insert Airport Name here) are used and occupied for aeronautical purposes.

Aeronautical Use of Hangars: The leased premises shall only be used for aeronautical purposes permitted by the FAA Hangar Use Policy. These uses include:

1. Storage of active aircraft; shelter for maintenance, repair or refurbishment of aircraft, but not indefinite storage of non-operational aircraft; and construction of amateur or kit-built aircraft.
2. Storage of aircraft handling equipment, e.g., tow bars, glider tow equipment, workbenches, and 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.
3. Storage of materials related to an aeronautical activity, e.g., balloon and skydiving equipment, office equipment, teaching tools and materials related to ancillary or incidental uses that do not affect the hangar's primary use. Storage of non-aeronautical items that do not interfere with primary aeronautical purpose, for example televisions and furniture.
4. Vehicle parked in the hangar while aircraft usually stored in the hangar is out flying.

Non-Permissible Use of Hangars: The leased premises shall not be used for non-aeronautical purposes as defined by the FAA Hangar Use Policy. These uses include:

1. Use as a residence.
2. Operation of a non-aeronautical business, e.g., limo service, car and motorcycle storage, storage of inventory, non-aeronautical business office.
3. Activities impeding movement of aircraft in/out of the hangar or other aeronautical contents of the hangar.
4. Activities displacing aeronautical contents of hangar or impeding access to aircraft or other aeronautical contents of the hangar.
5. Storage of household items that could be stored in commercial storage facilities.
6. Storage of items or activities prohibited by local or state law.
7. Long-term storage of derelict aircraft and parts.
8. Fuel and other dangerous and hazardous materials.
5. Storage of inventory or equipment by a municipal agency unrelated to aeronautical use.

General Policy Provisions: All hangared aircraft shall be listed as personal property with the Tax Assessor's office. Each hangar tenant or owner shall provide documentation of the tax listing to the Airport Manager. If the aircraft is domiciled for ad valorem tax purposes at another airport, documentation must be provided to the Airport Manager to support such classification.

Aircraft stored in a hangar must be owned in part, in whole or leased by the tenant who signs the airport hangar lease. Aircraft owners will be required to provide a copy of the FAA aircraft registration or Aircraft Registration Application (FAA Form 8050-1) for recently purchased aircraft. Additionally, a certificate of insurance showing the tenant as policyholder or an additional insured in the case of a leased aircraft must be provided.

All hangared aircraft must be in airworthy condition as evidenced by a current FAA annual or 100-hour inspection appropriately notated in the aircraft logbook(s). In the case of amateur and kit-built aircraft under construction or aircraft under repair, evidence of sustained progress towards airworthiness is required.

The hangar must be properly insured as outlined in the airport hangar lease agreement.

No hangar will be subleased without the prior written approval of the airport. A copy of any approved sublease must be on file with the airport and include certificates of insurance, and other documentation as required in the airport lease.

Airport management reserves the right to reassign the lessee to another hangar unit on the airport as circumstances may dictate.

All hangar lessees shall comply with all applicable (insert local governing body name) fire and building codes.

Space heaters are not permitted in hangars unless they are UL listed for interior use, they are only used when the lessee is present and the heater is disconnected upon exiting the hangar.

Firearms or ammunition shall not be stored in hangars.

Combustible materials, including wood, carpet and rugs, may only be stored in a quantity needed for normal aircraft operation and maintenance.

Class I Flammable Liquids, including acetone, ethanol, 100LL avgas, turpentine and xylene, may be properly stored in quantities of ten (10) gallons or less.

Class 2 Combustible Liquids, including JetA fuel and acetic acid, may be properly stored in quantities of ten (10) gallons or less.

Class 3 Combustible Liquids, including diesel fuel, hydraulic fluid and motor oil, may be properly stored in quantities of twenty-seven and one-half (27.5) gallons or less.

At least two 2A10BC-approved fire extinguishers must be mounted on brackets on opposite walls next to the hangar doors. All fire extinguishers must be tagged current.

A non-aluminum metal drip pan must be placed under the aircraft and located where oil may drip from the aircraft.

No objects may be attached or hung from structural members of the hangar with prior written approval of the Airport Manager.

Lessees shall not construct improvements or make any alterations, permanent or otherwise, to the leased premises without prior written consent of the Airport Manager. Compliance with all federal, state, and local building regulations are required for any improvement or alteration to buildings or structures on the leased premises.

Ground lessees shall provide maintenance, repair and upkeep on any structures situated on the leased premises and maintain grounds around the structures in a clean and safe condition. Items shall not be stored outside of the hangar.

Lessees consent to an annual hangar inspection to ensure compliance with this policy. The consent includes the right of the airport management to enter the hangar with reasonable notice. Airport management will have the right to enter the hangar at any time in an emergency.

Inspections: Notification for inspections will be transmitted to lease at least ten (10) days prior to the inspection to allow arrangements to be made for entry. The lessee or their designated representative must be present during the inspection.

Inspectors may consist of the Airport Manager, Code Enforcement Officer, Building Inspector and Fire Department Inspector or their designated representatives.

Lessees will receive a copy of a hangar compliance letter after completion of the hangar inspection. Any noted items of non-compliance shall be corrected within thirty (30) days of the date of the letter. Extensions may be requested and granted and provided to those showing progress work towards compliance.

Should a lessee fail to correct any non-compliant use of the hangar or complete repairs or maintenance work required to correct non-compliance with this policy within thirty (30) days after receipt of a written notice by the Airport Manager, the Airport shall charge the lessee the fair market value (FMV) rate for non-aeronautical use of the hangar until such time as the lessee is compliant with this policy. The Airport may, at its discretion, perform or cause to be performed such usage, repair or maintenance work and add the cost to the installments of rent due for the lease as a charge to the lessee. If repairs are determined by the lessee to be economically unfeasible, the airport and the lessee shall have the option of terminating the lease, and at lessee's cost, return the leased property to its original condition. Payment for the non-aeronautical rate for the hangar shall in no way restrict the airport's recourse to address any violation discovered.

Appeals: Any ground lessee or hangar lessee may appeal a notice of non-compliance or notice of FMV lease rate adjustment, subject to filing a written appeal within ten (10) days of issuance, in writing to the Airport Manager, which shall be heard before a hearing officer in the manner set forth by the (insert Airport's governing body).

This policy is adopted by the (insert Airport's governing body) at its meeting held on (insert Month, Day, Year).

APPENDIX V
Hangar Compliance
Inspection Checklist Template



Hangar Compliance Inspection Checklist (Insert Airport Name Here)

Hangar #: _____ Inspection Date: _____
 Inspector's Name & Title: _____

Type of Inspection: Annual Re-Inspection
 Hangar Ownership: Airport-Owned Tenant-Owned

Tenant Information

Name(s): _____
 Mailing Address: _____
 City, State, Zip Code: _____
 Phone: _____ Mobile Home Business
 Emergency Contact Phone: _____ Mobile Home Business
 Email Address: _____

Certificates of Insurance on File

Aircraft Insurance Yes No General Liability Insurance Yes No

Registered Aircraft in Hangar

	Aircraft #1	Aircraft #2	Aircraft #3
FAA Registration Number			
Make			
Model			
Listed basedaircraft.com	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Listed with Tax Assessor	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Aircraft Listed in Lease	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No

Hangar Exterior & Interior Condition

		Compliant	Not Compliant
1	Hangar unit number posted and visible on exterior.	<input type="checkbox"/>	<input type="checkbox"/>
2	No visible exterior damage to hangar requiring repair.	<input type="checkbox"/>	<input type="checkbox"/>
3	Pavement areas free of weeds and debris.	<input type="checkbox"/>	<input type="checkbox"/>
4	Condition of roof acceptable with no leaks.	<input type="checkbox"/>	<input type="checkbox"/>
5	Overhead lighting operational.	<input type="checkbox"/>	<input type="checkbox"/>
6	Hangar door(s) operating correctly.	<input type="checkbox"/>	<input type="checkbox"/>
	Add additional items as needed		

Permitted Uses as Defined by FAA

		Compliant	Not Compliant
7	Storage of active aircraft; shelter for maintenance, repair or refurbishment of aircraft, but not indefinite storage of non-operational aircraft; construction of amateur or kit-built aircraft.	<input type="checkbox"/>	<input type="checkbox"/>
8	Storage of aircraft handling equipment, e.g., tow bars, glider tow equipment, workbenches, and tools and materials used to service, maintain, repair or outfit aircraft; items related to ancillary or incidental uses that do not affect the hangar's primary use.	<input type="checkbox"/>	<input type="checkbox"/>
9	Storage of materials related to an aeronautical activity, e.g., balloon and skydiving equipment, office equipment, teaching tools and materials related to ancillary or incidental uses that do not affect the hangar's primary use. Storage of non-aeronautical items that do not interfere with primary aeronautical purpose, for example televisions and furniture.	<input type="checkbox"/>	<input type="checkbox"/>
10	Vehicle parked in the hangar while aircraft usually stored in the hangar is out flying.	<input type="checkbox"/>	<input type="checkbox"/>

Non-permissible Uses as Defined by FAA

		Compliant	Not Compliant
11	Use as a residence.	<input type="checkbox"/>	<input type="checkbox"/>
12	Operation of a non-aeronautical business, e.g., limo service, car and motorcycle storage, storage of inventory, non-aeronautical business office.	<input type="checkbox"/>	<input type="checkbox"/>
13	Activities impeding movement of aircraft in/out of the hangar or other aeronautical contents of the hangar.	<input type="checkbox"/>	<input type="checkbox"/>
14	Activities displacing aeronautical contents of hangar or impeding access to aircraft or other aeronautical contents of the hangar.	<input type="checkbox"/>	<input type="checkbox"/>
15	Storage of household items that could be stored in commercial storage facilities.	<input type="checkbox"/>	<input type="checkbox"/>
16	Long-term storage of derelict aircraft and parts.	<input type="checkbox"/>	<input type="checkbox"/>
17	Storage of items or activities prohibited by local or state law.	<input type="checkbox"/>	<input type="checkbox"/>
18	Fuel, and other dangerous and Hazmat materials.	<input type="checkbox"/>	<input type="checkbox"/>
19	Storage of inventory or equipment by a municipal agency unrelated to aeronautical use.	<input type="checkbox"/>	<input type="checkbox"/>

Safety Requirements

		Compliant	Not Compliant
20	"No Smoking" sign is posted.	<input type="checkbox"/>	<input type="checkbox"/>
21	Fire extinguisher(s) tagged current.	<input type="checkbox"/>	<input type="checkbox"/>
22	Fire extinguisher(s) mounted and visible, not blocked by storage.	<input type="checkbox"/>	<input type="checkbox"/>
23	Cover plates on all receptacles, switches and junction boxes.	<input type="checkbox"/>	<input type="checkbox"/>
24	Extension cords and power strips are maintained in good condition, without splices, tape or damage, and are unplugged when not in use.	<input type="checkbox"/>	<input type="checkbox"/>
25	Allowable portable heaters located so they will not ignite any combustibles.	<input type="checkbox"/>	<input type="checkbox"/>
26	Allowable flammable/combustible liquids stored in a listed and approved flammable liquid cabinet or safety can.	<input type="checkbox"/>	<input type="checkbox"/>
27	Open flame, flame-producing devices and other sources of ignition are not permitted in hangars.	<input type="checkbox"/>	<input type="checkbox"/>
28	Oil floor pan is present and used when needed.	<input type="checkbox"/>	<input type="checkbox"/>
29	Floor is clear of debris.	<input type="checkbox"/>	<input type="checkbox"/>
30	Clear, open egress path around perimeter of aircraft.	<input type="checkbox"/>	<input type="checkbox"/>
31	No alterations to walls, ceiling, floor, electrical for airport-owned hangars; alterations to privately owned hangars are constructed to building code.	<input type="checkbox"/>	<input type="checkbox"/>
32	Small appliances are plugged directly into a permanent receptacle.	<input type="checkbox"/>	<input type="checkbox"/>
	<i>Add additional items as needed</i>	<input type="checkbox"/>	<input type="checkbox"/>

Inspection Notes/Corrective Actions Required:

Reinspection Required? Yes No

If a reinspection is required, this is an official notification to correct the above-noted non-compliant items within _____ days, at which time a reinspection will be conducted. Failure to comply may result in a breach of the terms and conditions of the hangar lease.

Hangar Lessee or Designee (Print): _____

Signature: _____

Inspector (Print): _____

Signature: _____

If reinspection is required:

Reinspection Date: _____ **Reinspection:** Compliant Non-compliant

Hangar Lessee or Designee (Print): _____

Signature: _____

Date: _____

Inspector's Name (Print): _____

Inspector's Title (Print): _____

Signature: _____

Date: _____



Georgia Department of Transportation

FOR MORE INFORMATION PLEASE CONTACT

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