

HANGAR LEASE

THIS LEASE, made and entered into at Virginia Highlands Airport, Washington County, Virginia on this the _____ day of _____, 20____, by and between the VIRGINIA HIGHLANDS AIRPORT AUTHORITY, the Lessor, hereinafter also referred to as the Board of Directors, whose address is P. O. Box 631, Abingdon, Virginia and _____ the Lessee, whose address is: _____ and whose telephone numbers are: Work _____ Home _____

WITNESSETH:

FOR AND IN CONSIDERATION OF the terms and conditions hereinafter set out, the Board of Directors does hereby rent and lease unto the Lessee, and the Lessee does hereby rent and lease from the Virginia Highlands Airport Authority the following described hangar space located at the Virginia Highlands Airport in Washington County, Virginia:

<u>Hangar Building and Number</u> _____	<u>Padlock Number</u> _____
<u>Aircraft Make, Model, Year</u> _____	<u>Number of Keys</u> _____
<u>N-Number</u> _____	<u>Email</u> _____
<u>Telephone</u> _____	<u>Cell</u> _____

TERMS AND CONDITIONS

1. The term of this lease shall be for a period of One (1) month beginning _____, and shall automatically renew under the same terms and conditions on a month-to-month basis until terminated by either party upon thirty (30) days written notice. Lease termination by VHAA shall occur only in the event that the Lessee is found to be in violation of the terms of the lease.

2. The Lessee agrees to pay the lease rate for the assigned hangar according to the rates shown in the Hangar Monthly Rates table currently in effect. Rent shall be payable in advance at the beginning of the lease and thereafter during any renewals hereof on the first day of each month. Rent shall be due and payable to the Virginia Highlands Airport Authority at P. O. Box 631, Abingdon, Virginia. Lessor will notify Lessee in writing of any changes in the method or place of payment of rent. Lessee agrees to pay a penalty charge to Lessor in an amount of 10% of the account balance if payment is not received by the 10th day of the month in which payment is due. Lessee understands that lease could be terminated if payment is in arrears past the 15th day of the month in which payment is due. A security deposit equal to one month's rent must be paid prior to occupation of a hangar.

3. The Lessee understands and agrees that the leased hangar is to be used for the storage of one (1) FAA registered aircraft. Lessee may hangar an additional FAA registered Aircraft in this hangar by paying a monthly surcharge in the amount of one-half of the monthly rent for the space. Additionally, an increased security deposit equal to one month's surcharge will be required prior to occupation of the space by the additional aircraft. A signed addendum to the existing lease agreement identifying the additional aircraft and proof of insurance as required by the Rules and Regulations of the Airport will be required prior to the occupation of the space by the additional aircraft. Lessee may lease the hangar in advance of acquiring an FAA registered aircraft. If the aircraft is not occupying the leased space after 90 days from the signing of the original lease then the Lessee may request that the Airport Manager temporarily lease the space

to anyone on the T-hangar waiting list for no longer than one 6 month period. Use of the hangar for any purpose other than the storage of the said aircraft shall, at the option of the Virginia Highlands Airport Authority, or the Airport Manager, render this lease canceled, except that Lessee shall remain obligated to the Virginia Highlands Airport Authority for any damage caused to the Airport Authority for any breaches of this contract by Lessee.

4. Lessee agrees that the aircraft shall be kept airworthy at all times, except during periods for repair or maintenance. The maximum time during which an aircraft may be allowed to remain in a non-airworthy condition shall be ninety (90) days. A reasonable extension of time may be granted by the Virginia Highlands Airport Authority upon appeal.

5. The Lessee shall not enter into any agreement to assign, sub-let or rent for any purpose the hangar described in the lease and this lease is not assignable by Lessee, provided, however, in the event of a sale by Lessee of Lessee's aircraft, Lessee may request the Authority to temporarily lease his/her hangar space to anyone on the T-Hangar Waiting List (kept by the airport manager) on a month-to-month basis not to exceed six (6) months. If the initial Lessee replaces his/her aircraft during the six months and wishes to resume use of the leased hangar space, then: (a) the initial Lessee may give notice to the airport manager that he/she is prepared to move his/her aircraft into the leased space under the provisions of this Lease. And (b) the temporary lessee shall be notified of termination under the temporary lease in accordance with its terms a be placed back on the T-Hangar Waiting List in the same priority as existed at the time of commencement of the temporary lease. During the six (6) months following Lessee's request for a six month period referred to above, Lessee shall remain obligated under the terms of the initial lease, including the liability for payment of rent, if a substitute lessee is not found. If the hangar is sub-leased, the temporary Lessee shall be required to comply with all of the provision of this lease agreement including the insurance requirements.

6. The Lessee agrees not to make any additions or alterations to the property without the Airport Authority consent in writing and at the termination of this lease agrees to return said property to the Airport Authority in as good a condition as at present, reasonable wear and tear excepted.

7. The Board of Directors agrees to keep the lessee in peaceful possession of the premises during the term of this lease, however in the event that the rent remains delinquent for a period of thirty (30) days or more or the Lessee breaches any of the terms of this lease, the Airport Authority shall have the right to cancel this lease and the Lessee agrees to surrender possession of the property immediately. Upon default of this Lease by Lessee, Lessor in addition to rental payment shall be entitled to receive reimbursement for any court costs, attorneys fees, employees wages or other expenses of any kind or damages incurred by Lessor as a result of Lessee's default or breach of this Lease including, but not limited to, any such costs, fees, wages, or expenses of any kind incurred by Lessor having to resort to or obtaining legal counsel and/or resort to court action or other administrative or other procedures of any kind to enforce any provision of this Lease. Lessor shall have the right to retain possession of the Aircraft or its parts as security for the payment of rental or such costs, fees, expenses, or damages incurred as a result of Lessee's default of this Lease.

8. The Airport Authority reserves the right to improve and develop the Airport as it sees fit and, in this connection if in the opinion of the Airport Authority, it becomes necessary to move, dismantle or alter the leased structure, it may terminate this lease without obligation on its part by giving the Lessee thirty (30) days written notice.

9. The Airport Authority, or any person or persons it may designate, may enter the premises now or hereafter for random inspection or other purpose upon forty-eight (48) hour notice to Lessee unless the Airport Authority or Airport Manager determines an emergency exists or other need for immediate access exists, in which case no notice is required.

10. Lessee agrees to provide to the Airport Authority from time to time, upon request, satisfactory evidence and/or a bona fide declaration and/or certification of Lessee's ownership of the said aircraft for which the said hangar is leased. Lessee agrees to notify the VHAA business office during normal business hours prior to replacing an aircraft by signing a lease addendum which identifies the new FAA registered aircraft. Proof of insurance as required by the Rules and Regulations of the Airport will be required prior to the occupation of the space by the new aircraft.

11. The Virginia Highlands Airport Authority shall in no way be responsible to Lessee for any inability of Lessee or others to use any part of the Airport property due to any improvements, maintenance, weather, or any other reason Airport or any part thereof is not available for use during the term of this lease or any renewal thereof

12. Lessee agrees to comply with the Rules and Regulations Minimum Standards of the Virginia Highlands Airport Authority, the FAA, Virginia Department of Aviation and all other applicable state, federal, and county laws, ordinances, or regulations.

13. Lessee agrees to hold the Virginia Highlands Airport Authority, its agents and employees harmless and to indemnify the Board of Directors, its agents and employees for any monetary loss that occur to the Authority, its agents or employees as a result of any negligent acts or omissions committed or omitted by Lessee, its agents, contractors, guests, or invitees, while upon the leased premises. This provision shall in no way diminish, limit, or take away from any other rights or remedies which the Board of Directors, its agents or employees would otherwise have against Lessee and/or any other person or legal entity. This indemnification shall survive the expiration or the sooner termination of their lease.

14. Lessee will provide a copy of their aircraft insurance policy listing the limits of coverage to satisfy the requirements of the Virginia Highlands Airport Authority Minimum Standards and Rules and Regulations. The policy will specifically identify the Virginia Highlands Airport Authority as "Additionally Insured".

15. A padlock, with keys (up to four keys) will be provided to the lessee to be used only on the hangar space identified above. The lock and keys will remain the property of the Virginia Highlands Airport Authority and will be turned in to the Business Office immediately upon termination of this lease. Destroyed, lost or misplaced locks will be replaced at a cost of \$75.00 each, such cost to be paid by lessee. Destroyed, lost or misplaced keys will be replaced at a cost of \$10.00 each, such cost to be paid by lessee. The Virginia Highlands Airport Authority shall maintain a "master key" for all locks TO BE USED IN CASE OF EMERGENCY ONLY or for periodic inspection of the hangar space. No other locking device shall be installed on the hangar space.

16. The Virginia Highlands Airport Authority, its Manager or designated employees, shall maintain the right to inspect the premises on a regular basis. Inspections of this unit are scheduled for the first Saturday in May and November of each year. At least two (2) airport employees must be present for any inspection. A record of date and time of the inspection will be available from the Airport Manager's office. Lessee shall have the right to be present for any inspections except in case of emergency.

17. Maintenance or repair of an aircraft, aircraft engines or aircraft parts is permitted in leased space only if the person performing the work is properly permitted or licensed to do so by the FAA and meets the requirements identified in this paragraph. Lessees are permitted to perform the work as specified in FAR Part 43, Appendix A (c). Performers or supervisors of said work or the Lessee must notify the VHAA business office of any work which is to be performed by a person other than the Lessee. Performers or supervisors of said work who are not themselves the Lessee must apply for an annual permit from the VHAA business office during normal business hours. The permit application will require a copy of the person's

commercial liability insurance as required by the Rules and Regulations of the Airport, naming the Virginia Highlands Airport as additionally insured under the policy and payment of a nominal annual fee.

Lessee will not conduct or allow to be conducted any procedure in the leased space that would constitute a fire hazard in or about the hangar or adjacent taxiway. Spray painting, welding, or the spraying of any combustible liquid or vapor is prohibited in or about the leased space. If any maintenance action is performed inside a hangar, there must be in close proximity a fire extinguisher as specified in Chapter II, Section 6, paragraph (e) of the Rules and Regulations (i.e. – Class B,C Dry Chemical, Sodium Bicarbonate, U.L. Listed, 20 lb. unit). The use of space heaters is prohibited in the leased space. Any heater used as an engine preheater must not use or cause combustion and must be approved by the Airport Manager. The storage of any flammable, volatile, explosive or corrosive substances is prohibited in the leased space. Exceptions being the normal fuel tanks, fluid tanks and reservoirs common to the aircraft stored in this hangar. Lessee agrees to comply with any and all federal, state and local regulations regarding disposal of hazardous waste, petroleum products and fluids. Trash dumpsters on airport property are NOT to be used for disposal of hazardous waste, fluids or filters.

18. Access to the leased hangar shall be by way of the closest electronic gate. Lessee will not cross taxiways or runways to access hangars. Access to hangars located on the East side of the airport shall be through gates 4 or 11 only. Access to hangars located on the West side of the airport shall be through gate 13 only. For security purposes a specific gate code will be assigned to each Lessee. The Airport Authority or its employees will not reveal this code to anyone other than the Lessee(s) signed on this lease. It shall be the responsibility of the Lessee to limit and control their assigned gate code and Lessee agrees that all persons using their gate code will be advised of the Rules and Regulations of the Virginia Highlands Airport Authority prior to entering Area of Operations.

19. This agreement constitutes the entire understanding and agreement of the parties regarding the said hangar; any prior agreements or understandings regarding said hangar and the aircraft that Lessee will store therein are null and void. The Lessee has read, understands and agrees to the conditions set forth in this lease agreement.

Duly authorized representatives.

LESSOR:

VIRGINIA HIGHLANDS AIRPORT AUTHORITY

By _____

LESSEE:

(Print name)

(Signed)