

Madison Municipal Airport

Hangar Land Lease

Hangar # K-2

This agreement made and entered into this the **1 day of January, 2044**, by and between the Board of Aviation Commissioners, City of Madison, Indiana (hereinafter called "Lessor"), and **JOHN DOE** (hereinafter called "Lessee").

- 1. Demise.** The Lessor hereby leases to the Lessee, and the Lessee hereby leases from the Lessor the premises known as site **K-2**, with an address of, **E-911 ADDRESS, Hangar K-2, Madison, IN 47250**, of the Madison Municipal Airport, Madison, Indiana, more fully described in the plat for said site on file in the office of the recorder of Jefferson County, Indiana. The minimum site to be leased shall be 1/10 acre in determining the rent due. If the actual site used is less than 1/10 of an acre, then rent shall be calculated at 1/10 of an acre, or **\$ 242.00** per year. The following calculation of " $((\text{Hangar Square Footage}) * \text{Acre Sq Footage } 43,560) * \text{Current Property Value } \$24,200 \text{ per acre}) / 10 \text{ years} = \text{Hangar Lease}$ " was used to determine that **Hangar K-2**, with dimensions of **50 Feet Wide** and **50 Feet in Depth**, shall pay an annual rent in the amount of **\$ 242.00**
- 2. Term.** The term of the lease shall be for a period of **40 years** from the whole **first day of July, 2044**, up to and including the first day of **July, 2084** with renewals of four (4) ten (10) year periods. The renewal period shall be automatic unless the Lessee has outstanding citations as issued by the lessor.
- 3. Rent.** During the term of this lease, Lessee shall pay an annual rent of **\$ 242.00** per year. **The annual rent shall be due on July 1 of each year.** The Lessee upon signing this lease, shall pay rent in the sum of **\$ N/A**, which shall cover rent from **January 1, 2044** through **July 1st, 2044**. Commencing **July 1, 2044**, an annual rent payment of **\$ 242.00** shall be paid in advance and such amount shall be paid annually thereafter during the term of this lease on July 1 of each year. The rental amount however shall be increased each ten (10) years on the following dates: **July 1, 2030, July 1 2040, July 1, 2050, July 1 2060**, and in each ten (10) years thereafter. The amount of the increase on the rental increase date shall equal one half of the increase in the Consumer Price Index during the prior ten (10) year period of this lease. **A late fee of 10% the rent will be applied after 30 days past due the July 1 payment. NO EXCEPTIONS.**
- 4. Responsibility for Taxiway improvements.** The Lessee is responsible for a prorata share of the taxiway improvements serving Lessee site. The Lessee's share of taxiway improvements in the sum of **\$5,000 MINIMUM** which shall be paid upon the Lessee's notice to the landlord that

Lessee deserves to execute this lease. The following calculation of **\$150** per foot or minimum fee of \$5,000 was used to determine that **Hangar K-2**, with dimensions of **50** Feet Wide and **50** Feet in Depth, shall pay an Impact Fee in the amount of **\$5,000 MINIMUM**.

5. **Use of Sites.** The primary use of buying Lessee of Lessee site shall be aviation related. Secondary uses shall be permitted, but the primary use of the site shall be aviation related. If there is a dispute between Lessor and Lessee in determining whether the primary use is aviation related, the Lessor shall have the final determination of such use.
6. **Improvements of Lessee and Cleanup.** Before making improvements to the leased premises or altering the landscape, the Lessee shall first obtain the permission of the Lessor, and Lessor shall approve any improvements for construction and landscaping. Should the Lessee use any contractor for construction of any improvements to the leased site, proof of liability insurance by the contractor shall be provided to the Lessor.

During the construction of improvements to the site by Lessee, or a contractor employed by Lessee, or any subsequent addition or remodeling to the Lessee's improvements, the Lessee and any contractor employed by Lessee shall on a daily basis remove any debris, including rock, mud, or any other materials on any taxiway located at the Madison municipal Airport. Following completion of any construction, the Lessee and any contractor employed by Lessee, shall within 30 days of completion of such improvements remove all debris on the entire site of Lessee. Should the Lessee or the Lessee's contractor fail to remove the debris on a daily basis or within 30 days of the final construction, the Lessor shall have the right to have such debris removed and charge the Lessee for such removal.

7. **Utilities.** The Lessee shall pay all utilities used by the Lessee on said premises.
8. **Insurance and Indemnity.** The Lessee shall carry, at Lessee's own cost, comprehensive public liability insurance with limits of not less than \$300,000/\$500,000 for bodily injury and death, and \$100,000 for property damage. The Madison Municipal Airport and City of Madison shall be named additionally insured on the policy. Proof of said insurance must be filed with the City of Madison Clerk Treasures Office within 10 days after the effective date of this agreement. Lessee shall notify Lessor of any change in the insurance coverage and will do so at least 10 days prior to the effective date of the change.

It is further agreed that the Lessee shall hold Lessor harmless for all claims, suits, or judgments for the injury, sickness, or death of any person or damage to any property arising out of the possession or use of the leased premises by the Lessee, its employees, agents, contractors or invitees, not resulting from the Lessor's failure to fulfill and observe the covenants and provisions of this agreement or from the negligence or misconduct of Lessor, or of Lessor's employees, agents, contractors or tenants.

9. **Peaceful Possession.** Lessee covenants that at the expiration or termination of this lease, Lessee will give peaceful possession of the leased premises and return the leased premise to Lessor in as good condition as when received, ordinary wear and tear and damage by act of God excepted. Lessor covenants that Lessee upon paying the rental provided for herein shall and may peacefully and quietly have, hold and enjoy the leased premises during the term of this lease.
10. **General Rules.** In using the leased premise all Lessees shall follow and be bound to the following general rules and regulations:
- a. Lessee shall maintain the leased premises in a good condition and shall not cause outside storage or unsightly conditions to occur. Lessee shall maintain any improvements made on the lease must in good condition. Maintenance of the leased premise shall include all outside mowing, weed control, and removal of any debris.
 - b. No Lessee, agent of the Lessee or guest of the Lessee, shall leave any unattended vehicle, equipment, or material which inhibits the full use of the taxiway areas.
 - c. Lessee shall keep a neat and tidy ground to keep airport presentable.
11. **Improvements at termination.** At the end of this lease, all improvements on the leased premises shall become the property of the Lessor.
12. **Notices.** Any notice provided from herein to be given or desired by the parties hereto to be given shall be given by first-class mail, postage prepaid and addressed to Lessor at the **Madison Municipal Airport, c/o clerk treasurer's office, 101 West Main St., Madison, IN**, and if to Lessee at **YOUR BILLING ADDRESS** . Either party may designate in writing such new or other address to which notice shall thereafter be mailed.
13. **Transfer of Lease.** This lease shall be transferable upon the sale of the hangar. A notice of transfer shall be given by first-class mail, postage prepaid and addressed to Lessor at the **Madison Municipal Airport, c/o clerk treasurer's office, 101 West Main St., Madison, IN**. The transfer should include **parties involved, aircraft information, and Lessors new address for billing**. The airport attorney can offer assistance in this process.
14. **Compliance with Laws and Building Regulations.** Lessee agrees to observe and obey, during the term of this lease, all laws, ordinances, rules and regulations promulgated and enforced by the governments of the United States of America, the state of Indiana, or any subdivision thereof, or by any other proper authority, having jurisdiction over the conduct and operation of the airport in the aircraft using it, as well as pertaining to hangar use. It shall be presumed that hangers are built for personal use only. In the event that a hanger is constructed, or the use is modified, to allow for commercial use or subletting, the Lessee shall be responsible for any costs associated with complying with all State and or local building codes or requirements.

- 15. Subordination of Agreement.** This agreement shall be subordinate to the provisions of any existing or future agreement between the Lessor and the United States 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 expenditure of federal funds for the development of the airport.
- 16. National emergencies.** During any national emergency declared by The President of the United States of America or the Congress thereof, including any existing national emergency, the Lessor shall have the right to make exclusive or nonexclusive use and have exclusive or nonexclusive control and possession of the herein described premises.
- 17. No Discrimination.** The Lessee will not, on the grounds of race, color, or national origin, discriminate or permit discrimination against any person or group of persons in any manner prohibited by title VI of the civil rights act in part 21 of the regulations of the Sec. of transportation. The Lessor reserves the right to take such action as the United States government may direct to enforce this covenant.
- 18. Binding Effect.** This lease shall inure to the benefit of, and shall be binding upon, the successors, assigns, administrators, executors, errors or other legal representatives of the Lessor and Lessee.
- 19. Default.** Lessor shall be required to give notice of any default to the Lessee and to any of Lessee's mortgagees or assignees who shall request such notice at least 30 days prior to any default being effective, and this lease shall not be canceled or terminated unless such defaults has not been cured within 30 days after such notices have been given.
- 20. Assignment, Subletting, and Leasehold Mortgaging.**
- a. Lessee and every successor, assignee and mortgagee of Lessee shall have the absolute and unrestricted right, without the consent of Lessor, to assign this lease or to sublet the demised premises, in whole or in part, at any time and from time to time, to any person or entity without the necessity of obtaining any consent or approval of lessor. It shall be a condition of any such assignment that lessor shall be furnished with written notice of such assignment together with an executed counterpart of an instrument wherein such assignee directly assumes all of Lessee's obligations under this lease (subject to any exculpation or limitation upon such obligations and liability herein contained). Any such assignee may from time to time further assign this lease or sublet the demised premises, in whole or in part, without the necessity of obtaining any consent or approval of lessor. It shall be a condition of any such subsequent assignment that lessor shall be furnished with written notice of such assignment together with an executed counterpart of an instrument wherein such subsequent assignee directly assumes all of his signers obligations under this lease (subject

to any exculpation or limitation upon such obligations and liability herein contained). **Lessee shall provide the following information to the Airport Manager for filing of any sub lessee. Name, Contact Information, Aircraft Make/Model/Tail #, and Emergency Contact.**

- b. Lessee and every successor, assignee, mortgagee and sub lessee of Lessee shall have the absolute and unrestricted right, at any time and from time to time, without Lessor's consent, to grant to other subleases for the use and occupancy of the demised premises, or any part thereof, on such terms as Lessee or any such assignee or mortgagee, as the case may be, shall see it. Nothing herein contained shall preclude any sublease or from subletting all or any part of the subleased premises.
- c. Lessee agrees that upon making any assignment of this lease that assignor shall promptly furnish Lessor with an executed counterpart of the instrument of assignment.
- d. Lessee and every successor in assignee of Lessee or of anyone else shall have the absolute and unrestricted right, at any time and from time to time, without Lessor's consent, to mortgage its interest in this lease and shall subleases under a leasehold mortgage or mortgages and to assign its interest in this lease and all of the covenants, conditions and restrictions set forth in this lease and to all rights and interests of Lessor under this lease, none of which covenants, conditions, restrictions, rights or interest is or shall be waived by the Lessor by reason of the right given Lessee to mortgage its interest in this lease if Lessee or Lessee's successors or assigns shall mortgage this leasehold in accordance with the foregoing provisions, and if the holder of such mortgage shall send to Lessor a true copy thereof together with written notice specifying the name and address of the mortgages and the pertinent recording data with respect to such mortgage, Lessor agrees that so long as any such leasehold mortgage shall remain unsatisfied of record or until written notice of satisfaction is given by the holder to Lessor the following provisions shall apply, to wit:
 - 1. There shall be no cancellation, surrender or modification of this Lease by joint action of Lessor and Lessee without the prior written consent of the leasehold mortgagee;
 - 2. Lessor shall, when serving Lessee with any notice of default, at the same time serve a copy of such notice upon the holder of such leasehold mortgage specifying the nature and/or amount of the default. The leasehold mortgagee shall thereupon have thirty (30) days to remedy or cause to be remedied the defaults complained of, and Lessor shall accept such performance by or at the instance of such leasehold mortgagee as if the same had been done by Lessee;
 - 3. Notwithstanding anything to the contrary contained herein, while such leasehold mortgage remains unsatisfied of record, or until written notice of satisfaction is given by the holder to Lessor, if an event or events of default shall occur, which under any provisions of this Lease shall entitle Lessor to terminate this Lease, and if before the expiration of thirty (30) days from the date of service of this termination notice such leasehold mortgagee shall have notified the Lessor of its desire to nullify such termination notice and shall have paid to

Lessor all rent and other payments herein provided for and then in default and discharged all other obligations of Lessee hereunder theretofore accrued and, accept as set forth in subparagraph (6) hereof, shall have complied or shall have undertaken to comply with all of the other requirements of this Lease, if any are then in default, and shall prosecute the same to completion with all due diligence, then in such event Lessor shall not be entitled to terminate this Lease, and any such termination notice theretofore given shall be null and void and of no effect;

4. Lessor agrees that the name of the leasehold mortgagee may be added to the "Loss Payable Endorsement" of any and all insurance policies required to be carried by the Lessee under this Lease, if any, on condition that the insurance proceeds are to be applied in the manner specified in this Lease and that the leasehold mortgage shall so provide;
5. Lessor agrees that in the event of termination of the Lease by reason of any default by Lessee, or upon any termination of this Lease pursuant to any rights granted to Lessee under the provisions of this Lease, Lessor will enter into a new lease of the demised premises with the holder of the first mortgage on this Lease, or its nominee, for the remainder of the term effective as of the date of such termination at the rent and additional rent and upon the same terms, provisions, covenants, conditions and agreements as herein contained and subject only to the same conditions of title as this Lease is subject on the date of the execution hereof and to the rights, if any, or any parties then in possession of any part of the demised premises, provided:
 - (i) said mortgagee shall make written request upon the Lessor for such new lease within thirty (30) days after the date of such termination and such written request is accompanied by payment to the Lessor of sums then due to the Lessor under this Lease;
 - (ii) said mortgagee shall pay to the Lessor at the time of the execution and delivery of said new lease any and all sums which would at the time of the execution and delivery thereof be due under this Lease but for such termination, and in addition thereto any expenses including legal and attorneys' fees to which the Lessor shall have been subject or which the Lessor shall have incurred by reason of such default;
 - (iii) the Lessee under the new lease shall perform and observe all covenants herein contained on the Lessee's part to be performed and shall further remedy any other conditions which the prior Lessee was obligated to perform under the terms of this Lease; and upon execution and delivery of such new lease, any subleases, which may have theretofore been assigned and transferred by the Lessee to the Lessor as security under this Lease, shall thereupon be deemed to be hold by the Lessor as security for the performance of all of the obligations of the Lessee under the new lease;
 - (iv) Lessor shall not warrant possession of the leased premises to the Lessee under the new lease;

- (v) such new lease shall be expressly made subject to the rights, if any, of the Lessee under the terminated lease aforesaid;
- (vi) the Lessee under such new lease shall have the same right, title and interest in and to the improvements on the demised premises as the Lessee had under this Lease. Upon the execution of such new lease, Lessor shall account to the new Lessee for all receipts from the operation of the demised premises during its period of possession and shall be entitled to credit for all property disbursements made or expenses incurred by it in the course of such operations.

6. Nothing herein contained shall require the leasehold mortgagee or its nominee to cure any default of the Lessee arising out of its bankruptcy, insolvency, reorganization or other proceeding under the bankruptcy or insolvency laws of the United States or of the several states or arising out of its abandonment of the demised premises or arising for any other reason.

21. Fee Mortgages; Permitted Mortgage Defined. Lessor hereby covenants and agrees that during the term of this Lease (and any extensions or renewals hereof) Lessor shall not mortgage or otherwise create security interests or other liens or encumbrances upon or affecting Lessor's fee simple estate and reversionary interest in the demised premises, or the improvements, or personal property thereon, or any part thereof.

22. Mortgage Replacement. Any term or provision of this Lease to the contrary notwithstanding, Lessee and each sub lessee, assignee or other successor in interest shall have the right from time to time to pay off its existing financing and replace it with another Mortgage.

23. Lessor's Subordination and Execution of Documents. Upon request from Lessee or any assignee or successor in interest at any time and from time to time, Lessor shall subordinate and subject the fee simple title to the demised premises and all of Lessor's right, title and interest therein to all subleases, operating agreements, easements, plats, dedications, permit applications, zoning petitions and other use and development applications and all other covenants, agreements, encumbrances, instruments and documents made, granted, requested or required by Lessee in connection with the development, improvement, use and operation of the demised premises.

24. Violations of Lease. Should the Lessee violate any term of this Lease, the Lessor shall give written notice to the Lessee of the violation. The Lessee, after written notice is served of any violation that is given, shall have thirty (30) days to correct the violation. If the violation is not corrected within thirty (30) days, after written notice is given, the Lessor, at Lessor's option, shall have the right to terminate the Lease. Upon termination of the Lease, notice of which shall be given in writing to Lessee, the Lessee shall have the right to sell any improvements on the site or remove such improvements.

IN WITNESS WHEREOF, the parties have executed this **HANGAR LEASE** on the dates indicated below by their respective signatures, and this Lease shall become effective upon execution by all parties.

LESSEE:

By: _____
(JOHN DOE)

Dated: _____

LESSOR:

THE CITY OF MADISON, BOARD OF AVIATION COMMISSIONERS

By: _____
DAVID GOODMAN, JR.

Dated: _____

SAMPLE