



3670 Airport Loop · Salisbury, NC 28147
Phone 704-216-7749 · Fax: 704-216-7977

ANNUAL HANGAR LEASE

Name of Lessee: _____

Physical Address: _____

City: _____ State: _____ Zip: _____

Telephone Number(s): _____

Email address: _____

Aircraft Information:

N-Number: _____ Year: _____ Make: _____ Model: _____

Serial Number: _____ Registered Owner _____

This Airport Hangar Lease Agreement (this "Lease") is entered into this _____ day of _____, 20____, by and between the Mid-Carolina Regional Airport (the "County"), and _____ ("Lessee") for the leasing of an aircraft hangar upon the following terms and conditions:

1. LEASE OF HANGAR: The County hereby leases to Lessee, and Lessee hereby leases from the County, hangar number _____ (the "Hangar") located at Mid-Carolina Regional Airport (the "Airport"). The aircraft stored pursuant to this Lease shall be considered to be based at the Airport.
2. TERM OF LEASE: The Lessor agrees to lease said building to the Lessee commencing on the date of this agreement and terminating on June 30, 20____. Any additional terms will be in accordance with NC General Statutes and with Rowan County's policy on Rental of Hangars.
 - A. Lessee must provide written notice to Lessor more than 30 days prior to the end of the term of its intent to vacate or request consideration for renewal. The period for annual leases coincides with the County's fiscal year; July 1st through June 30th.
 - B. Executed originals of this agreement must be returned to Lessor prior to the beginning of the lease term or this agreement shall be considered null and void and any personal property of Lessee that is located on the demised premises shall be removed within five (5) days or otherwise such property may be removed by Lessor at Lessee's expense and risk.
3. RENT: The Lessor agrees to lease said building to the Lessee for the sum of _____ per month. The parties acknowledge and agree that this Agreement is not assignable.

A. Rent shall be paid in advance for each month the Hangar is assigned to Lessee. The rent shall be due on the first day of each month, without demand, and shall be considered delinquent if not paid by the tenth (10th) day of each month. Lessee shall pay a late charge of \$20.00 on any installment of rent not paid by the tenth (10th) day of each month. The non-payment of rent shall be grounds for cancellation of this Lease.

B. The rent for the Hangar may be amended by the County during the renewal process.

C. Utilities are the responsibility of the Lessee.

4. USE OF PREMISES: The Hangar is to be utilized as a hangar under the following conditions:

A. The Hangar is to be used for storage of Lessee's aircraft(s) only, otherwise this lease agreement shall be deemed void. Any additional aircraft located in the demised premises must be owned by the Lessee and listed on this agreement.

B. Lessee shall abide by the Airport Rules and Regulations, Minimum Standards, applicable Federal and State statutes, and regulations of the Federal Aviation Administration ("FAA"), as they may from time to time be amended, including environmental laws regarding the handling, discharge, release and dumping of any hazardous substance, and such rules, regulations and ordinances are incorporated by reference into this Lease and made a part hereof.

C. Minor aircraft self-maintenance such as would normally be performed by an aircraft owner without the benefit of an aircraft mechanic is allowed in the Hangar. Lessees possessing a valid mechanic's certificate or otherwise authorized by the FAA are permitted to maintain their own aircraft in the Hangar. Hazardous activities, including, but not limited to, smoking, welding, defueling, painting, doping, open fuel lines, open flames, or the application of hazardous substances are expressly prohibited in the Hangar.

D. No flammable or explosive substances or items are allowed in the Hangar, except as allowed by the Fire Department. Storage of fuel is restricted to the fuel cells/tanks of the stored aircraft. Aircraft may be fueled only in areas designated by the Airport and may not be fueled in the Hangar.

E. Lessee shall provide and maintain a fire extinguisher within the Hangar at all times.

F. Lessee agrees to keep the Hangar in a clean and orderly condition at all times, and in accordance with all safety and fire codes which may apply to the Hangar, and further agrees to comply with all directives issued by any fire inspector to either the County or the Lessee.

G. The County shall have reasonable access to the Hangar for inspection and emergencies. Entry for repairs, whether routine or emergency, or entry based on evidence of violation will not require any prior notice.

H. Lessee shall not use the Hangar for any commercial purposes, including, but not limited to, a charter service, aircraft rental, aircraft servicing, aircraft assemblage, or aircraft sales. Flying clubs shall not be considered as commercial purposes. Any Lessee who wishes to conduct or operate business related activity on the Airport must first receive prior written permission

and/or a Limited Fixed Base Operator's Agreement from the County before engaging in such activities.

I. All aircraft stored in the Hangar must be airworthy, which for the purposes of this Lease means an aircraft with a current annual inspection. Short term storage of non-operational aircraft for purposes of maintenance, repair or refurbishment is allowed. Non-airworthy aircraft (including Non-Commercial construction of amateur-built or kit-built aircraft in compliance with construction progress benchmarks) may undergo long-term major renovation or restoration pursuant to a scheduled and approved maintenance plan so long as it does not involve any activity prohibited by this Lease or by applicable Federal, state and local rules, regulations and ordinances, including, but not limited to, fire and safety codes.

J. Only locks provided by the Airport may be used on Hangar doors. Use of other locks shall constitute a breach of this Lease and will be removed.

K. Aircraft and/or vehicles may not be parked outside in front of a Hangar on the ramp unattended at any time. Lessee must ensure that the operation of the Hangar doors does not block or otherwise hinder neighboring Hangar access.

L. The Airport Director reserves the right upon annual renewal to assign a Hangar most appropriate to the size of the aircraft, and to relocate aircraft to a different hangar.

M. Consistent with FAA regulations, Lessee shall be allowed to park its motor vehicle in its Hangar while the aircraft is out and in use. Any other storage of motor vehicles is prohibited. The Lessee shall maintain insurance on its vehicle as required by law. Except as noted above, the Lessee shall not park motor vehicles anywhere on the Airport except in designated parking stalls.

N. No billboards, posters or signs shall be permitted upon the exterior of the Hangar, except as have been approved, in writing, by the Airport Director.

O. The Hangar shall not in any manner be used as a permanent or temporary residence.

5. ASSIGNMENTS, TRANSFERS AND SUBLEASES: Lessee agrees not to assign, sublet or otherwise lease occupancy or use of the Hangar by parties other than the Lessee. Transfer of this lease and subleasing to third parties is expressly prohibited.

6. LIABILITY: It is understood and agreed that the use of the Hangar shall be at the sole risk of the Lessee and that the County and Airport will not be held responsible for the aircraft or personal property located in, within or about the Airport or the Hangar, or within or about the Lessee's aircraft, belonging to the Lessee its agents, employees, invitees, or guests, and the County shall not be liable for damage to or theft or misappropriation of any such property, or for damage to the aircraft caused by weather conditions or acts of God, fire, theft, windstorm, rain, lightning, hail, moisture or any other cause.

7. INSURANCE: Lessee shall provide proof of insurance coverage to the County certifying that the following insurance coverage is in effect prior to the commencement of this Lease, and shall maintain coverage in full force and effect until the termination of this Lease:

A. Aircraft Liability Coverage. Lessee shall maintain aircraft liability insurance in an amount of no less than \$1,000,000 each occurrence or accident with \$1,000,000 aggregate. The County shall be named as an additional insured under the liability insurance policy. Lessee is responsible for ensuring a current COI is on file with the Airport.

B. Form of Policy. All policies of insurance required above shall be written by a qualified insurance company rated "A" or better and be authorized to do business in the State of North Carolina. Each certificate of insurance shall include: (1) a statement that the County is endorsed as a named insured under each policy, (2) a statement of the required dollar limits of coverage, (3) a provision that written notice of cancellation or any material change in coverage shall be delivered to the Airport at least thirty (30) days in advance of the effective date of the material change or cancellation, and that no cancellation, alteration or change of beneficiary shall be made without written notice to the County.

8. ALTERATIONS: Lessee shall not alter any existing fixtures or improvements or alter the Hangar walls, floor, doors, ceiling, electrical or mechanical systems, or any portion of the Hangar in any manner; nor shall Lessee add fixtures or improvements or in any way modify the Hangar without prior written approval of the Airport Director. Any and all work approved by the County shall be at the Lessee's sole cost and expense. All fixtures, improvements, and additions made in or upon the Hangar shall remain with the Hangar and become the property of the County at the termination of this Lease, however terminated, without compensation being paid by the County to Lessee.

9. MAINTENANCE: The County shall be responsible for all structural maintenance to the Hangar and Lessee shall not make any repairs to the Hangar. Lessee agrees to immediately notify the Airport of any maintenance or repair issues or damage to the Hangar.

10. INDEMNITY: Lessee agrees to indemnify and hold the County and the Airport, and their officers, agents, employees, insurers, successors and assigns, harmless from and against any and all liabilities, judgments, costs, damages, expenses, claims, actions or demands of any kind and nature, by any person whatsoever on account of property damage, injury or death of a person arising from Lessee's use or occupation of the Airport or the Hangar, including acts of Lessee's agents, and Lessee shall give the County prompt notice of any such claims filed against Lessee or the County or the Airport.

11. DEFAULT: An Event of Default shall have occurred if: (a) The monthly rental has not been received by the Airport by the tenth (10th) day of each month during the term of this Lease, (b) Lessee shall default in the performance of its obligations under this Lease or any applicable rules and regulations incorporated within this Lease, (c) the filing of a petition under Federal Bankruptcy Act, or (d) the making of an assignment for the benefit of creditors. Lessee shall have fifteen (15) days after written notice by the Airport to cure any default under section (b) of this section. Upon the occurrence of an Event of Default, the County, at its sole option, may terminate this Lease and all of Lessee's rights hereunder, and may then at any time thereafter bring an action for possession of the Hangar without prejudice to any other remedy or right of action which the County may have for possession of the Hangar or for rent or damages sustained by reason of the default. The County is hereby granted an express lien upon and security interest in any aircraft and personal property within the Hangar to secure payment of all sums due to the Airport by the Lessee. Personal property, including aircraft, stored within the Hangar may be sold to satisfy any amounts due to the Airport. Lessee, at the time of storage, shall

disclose to the Airport any lien holder or secured parties who have an interest in personal property that is stored or will be stored in the Hangar.

12. TERMINATION: This Lease may be cancelled by the Lessee upon thirty (30) days written notice to the Airport. This lease may be cancelled by the County, under the approval of the Board of Commissioners, upon sixty (60) days written notice to the Lessee.

13. SURRENDER OF STORAGE SPACE: Upon the termination of this Lease by either party, Lessee agrees to return the Hangar to the County and to remove all of Lessee's goods and effects from the Hangar. Lessee shall leave the Hangar in a neat, clean and orderly condition, allowing for ordinary and normal usage during occupancy. Lessee shall reimburse the Airport for the repair of any damage to the Hangar. The Airport is hereby authorized, without liability to Lessee for loss or damage, and at the sole risk of the Lessee, to remove and store any property, including aircraft, left by Lessee in the Hangar at Lessee's expense, or to retain such property, or to sell such property at a public or private sale and apply the net proceeds of such sale to the payment of any sum due to the Airport by Lessee, or to destroy such property.

14. REGISTRATION: Lessee shall provide to the Airport Director a copy of the current FAA Registration and/or proof of ownership, suitable to the Airport Director, for the aircraft to be stored pursuant to this Lease. If Lessee has a temporary registration or if there is any change of aircraft ownership, Lessee shall notify the Airport Director in writing within ten (10) days and shall have ninety (90) days in which to acquire a permanent registration or another aircraft before this Lease is cancelled. If the registration is not in the name of the Lessee, then Lessee must provide the Airport Director with a copy of a valid exclusive lease or other documentation establishing an adequate possessory interest in the aircraft.

15. SUBORDINATION: This lease shall be subordinate to the provisions of any existing or future agreement between 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. GENERAL PROVISIONS:

A. No waiver of default by the County of any of the terms, covenants, and conditions herein to be performed, kept and observed by the Lessee shall be construed or operate as a waiver by the County of any subsequent default of any of the terms, covenants, and conditions contained herein to be performed, kept and observed by the Lessee.

B. This Lease may be amended only by a written amendment executed by the County and Lessee. There are no understandings or agreements of any kind between the parties hereto, verbal or otherwise, other than as set forth in this Lease and the Airport Rules and Regulations.

C. Should lessor have to take legal to enforce any provision or protect any right or remedy under the terms and conditions of this Lease, the County shall be entitled to recover all costs of collection or removal from the Hangar, including reasonable attorney fees.

D. This Lease shall be governed by and construed in accordance with the laws of the State of North Carolina.

E. All notices required to be given pursuant to this Lease shall be by personal delivery or by United States Certified Mail, return receipt requested, postage prepaid, and shall be addressed to Lessee at the address set forth above, and to the County addressed to Airport Director, Mid-Carolina Regional Airport, 3670 Airport Loop, Salisbury, North Carolina, 28147. Notices mailed to the addresses set forth in this Lease shall be deemed to have been given for all purposes hereunder five (5) calendar days following the date of mailing.

F. Lessee shall never at any time during the term of this Lease become the agent of the County, and the County shall not be responsible for the acts or omissions of the Lessee or its agents.

By signing Lessee acknowledges and agrees that it has received or reviewed the Airport Rules and Regulations and Hangar Policies and Procedures and acknowledges that failure to comply with them constitutes an Event of Default hereunder and grounds for termination of this Lease.

ROWAN COUNTY
MID-CAROLINA REGIONAL AIRPORT

LESSEE

By: _____

By: _____

Airport Director

Name: _____

FOR OTHER THAN DIGITAL SIGNATURE ATTEST:

FBO Manager