\*\*\*DISCLAIMER\*\*\*

This lease should be modified to fit the needs of a specific airport and is not intended to be a final product. Please seek legal counsel prior to executing this lease.

**AIRPORT HANGAR GROUND LEASE**

This agreement, made and entered into on the date indicated below by and between

 , hereinafter called the Lessor, and , hereinafter called the Lessee.

**WHEREAS**, the Lessor owns and operates an airport known as and Lessee is desirous of leasing from the Lessor a certain parcel of land on the airport, hereinafter more fully described, for the purpose of constructing a hangar.

**NOW, THEREFORE**, for and in consideration of the rental charges, covenants, and agreements herein contained, the Lessee does hereby lease from the Lessor the following premises, rights, and easements on and to the airport upon the following terms and conditions.

1. **Property Description**:

*[Note:  Property description should be by exhibit or metes and bounds.  If a monumented property survey is required, a plat of survey can be created.  Leasehold descriptions must not be referenced to or based on any other type of survey (ex: Certified Survey Map or other plat creating a division of land) without prior approval by the Bureau of Aeronautics.]*

1. **Term:** The term of this lease shall be for a period of \_[not more than 30]\_ years commencing on \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and terminating on December 31, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.
2. **Rent:** The Lessee agrees to pay to the Lessor for the use of the premises, rights, and easements herein described, a yearly rental of $\_\_\_\_\_ per square foot for the land leased, for a total annual charge of $\_\_\_\_\_\_\_\_\_\_\_\_\_\_, payable in advance on January 1, and on each anniversary thereof until this lease terminates. Payments shall be due annually on January 1, without further notice from the Airport.

Annual lease payments shall be made payable to and shall be sent to

 . Finally, the rental rate specified herein shall be subject to reexamination and readjustment as provided below.

1. **Rent Adjustments:** The Lessor shall have the option to adjust rent annually subject to the following:
	1. Any rent adjustment shall be applied uniformly for all non-commercial hangar leases at the Airport.
	2. No adjustment shall result in rent that is more than the full year equivalent of 110% of the rent for the prior calendar year.
	3. Notice of a rent adjustment that is effective for the next calendar year shall be delivered on or before November 1 of the year prior to the year for which such adjustment shall apply, except in the case of a new lease executed after November 1 in which case notice shall be given at the time of execution of the lease.
2. **Taxes:** The Lessee shall pay all taxes and assessments that may be levied against the personal property or buildings of the Lessee
3. **Utilities:** The Lessor shall be responsible for payment of all of its own utility expenses (gas, electric, telephone, heat, etc.) and at no time shall the Lessee use the utilities of the Lessor without the Lessor's prior written consent, nor shall the Lessee have its utility bills placed into the name of the Lessor.
4. **Other Fees:** Nothing herein shall limit the Lessor's right to impose, and the Lessee's obligation to pay, any and all other fees which the Lessor may establish from time-to-time for Airport services and privileges.
5. **Hangar Construction:** The Lessee shall have the right to erect, maintain and alter buildings or structures upon the premises providing such buildings or structures are in accordance with all federal, state, and local regulations. All plans for such buildings or structures shall be reviewed and approved in writing by the Lessor prior to construction.
6. **Hangar Use:** Hangar shall be used for an aeronautical purpose such as:
	1. Storage of airworthy aircraft;
	2. Shelter for maintenance, repair, or refurbishment of aircraft, but not the indefinite storage of non-operational aircraft;
	3. Non-commercial construction of amateur-built or kit-built aircraft;
	4. Storage of aircraft handling equipment, (e.g. tow bar, glider tow equipment, work benches, tools and materials used to service aircraft); and
	5. Storage of materials related to an aeronautical activity (e.g. balloon and skydiving equipment, office equipment, teaching tools).

Provided the hangar is used primarily for an aeronautical purpose, Lessee may store non-aeronautical items in the hangar provided they do not:

1. Impede the movement of the aircraft in and out of the hangar;
2. Displace the aeronautical contents of the hangar. A vehicle parked at the hangar while the vehicle owner is using the aircraft will not be considered to displace the aircraft;
3. Impede access to other aeronautical contents of the hangar; and
4. Violate building codes or local ordinances.

Lessee shall not conduct non-aeronautical business activities out of the hangar nor store items in support of a non-aeronautical business.

At no time shall the Lessee store any flammable material (except for fuel in the aircraft) nor shall the Lessee store explosives or other dangerous or hazardous materials, in or around the hangar, without the Lessor's prior written consent.

Lessee shall not hereafter make use of the premises in any manner which might create electrical or electronic interference with navigational signals or radio communications, impair the ability of pilots to visually distinguish the airfield, or otherwise endanger the landing, taking off, or maneuvering of aircraft. Lessor reserves the right to enter upon the premises hereby and abate any such hazard at the expense of Lessee.

1. **Nonexclusive Rights:** Lessee shall have the nonexclusive right, in common with others so authorized:
	1. To use the common areas of the airport, including runways, taxiways, aprons, roadways, floodlights, landing lights, signals and other conveniences for the take-off, flying and landing of aircraft.
	2. To use the airport parking areas, appurtenances and improvements thereon, but this shall not restrict the right of the Lessor to charge fees for the use of such areas.
	3. To use all access ways to and from the premises, limited to streets, driveways or sidewalks designated for such purposes by the Lessor, and which right shall extend to Lessee's employees, passengers, guests, invitees, and patrons.
2. **Hangar Maintenance:** The Lessee will maintain its hangar, associated appurtenances, and the surrounding land in a safe, useful, clean, painted, neat and orderly condition, and Lessee shall perform such repairs, maintenance and upkeep as the Lessor shall deem necessary and appropriate to maintain the safety of the Airport and to maintain the attractive, professional appearance of the Airport. In the event of fire or any other damage or casualty to structures owned by the Lessee, the Lessee shall repair, replace or remove the damaged structure, and restore the leased area to its original condition, within 120 days of the date the damage occurred. Upon petition by the Lessee, the Lessor may grant an extension of time if it appears such extension is warranted.
3. **Obstruction Lights:** Whenever determined necessary by the Lessor, the Lessee agrees to install, maintain and operate proper obstruction lights on the tops of all of Lessee's buildings or structures, at Lessee's sole cost.
4. **Signs:** No signs or advertising matter may be erected on the leased premises without the prior written consent of the Lessor.
5. **Rules and Regulations:** The Lessee agrees to observe and obey all current and future laws, ordinances, rules and regulations promulgated and enforced by the Lessor and by other proper authority having jurisdiction over the conduct of operations at the airport, provided the same are consistent with the procedures proscribed or approved from time-to-time by the Federal Aviation Agency for landing and taking off of Lessee's aircraft.
6. **Security:** Lessee shall comply at all times with all federal and state security and safety regulations and mandates. A hangar shall be locked at all times when an aircraft is stored with the hangar and Lessee, or Lessee’s agent, is not present at the hangar. Keys shall not be left in any unattended aircraft whether or not the aircraft is located within a hangar.
7. **Occupants:** No person or entity may occupy the hangar of the Lessee except the Lessee, without the prior written consent of the Lessor. However, nothing herein shall prohibit the Lessee from temporarily permitting another person or entity to temporarily store aircraft in the Lessee's hangar. It is understood that any long-term storage requires the permission of the Lessor and any entity which permits temporary storage for profit must obtain an FBO permit from the Lessor.
8. **Commercial Operations:** Nothing herein shall authorize the Lessee to conduct any business operations or to act as a Fixed Base Operator (FBO) on the premises leased herein. All such activities are prohibited without the prior written approval of the Lessor. However, nothing herein shall be construed to prohibit the Lessee from performing any services on its own aircraft with its own regular employees (including, but not limited to, maintenance and repair) that it may choose to perform.
9. **Airport Maintenance:** Lessor reserves the right, but shall not be obligated to Lessee, to maintain and keep in repair the landing and taxi areas of the airport and all publicly owned facilities of the airport, together with the right to direct and control all activities of Lessee in this regard.
10. **Obstructions:** Lessor reserves the right to take any action it considers necessary to protect the aerial approaches of the airport against obstruction, together with the right to prevent Lessee from erecting, or permitting to be erected, any building or other structure on the airport which, in the opinion of the Lessor, would limit the usefulness of the airport or constitute a hazard to aircraft. Lessee shall, upon approval by Lessor and prior to any construction of any nature within the boundaries of the airport, prepare and submit to the Federal Aviation Administration, FAA Form 7460-1, "Notice of Proposed Construction or Alteration", as required by Federal Aviation Regulation Part 77.
11. **Airport Development:** The Lessor reserves the right to further develop and improve the airport as Lessor sees fit, regardless of the desires or views of the Lessee, and without interference or hindrance from the Lessee. If the development of the airport requires the removal and/or relocation of the Lessee's hangar building(s), the Lessor and Lessee agree that such removal and/or relocation shall occur pursuant to the following terms and conditions:
	1. The Lessor willprovide the Lessee with written notice at least 180 days prior to said removal and/or relocation, and
	2. The Lessor shall, in the Lessor's sole discretion, either
		1. Pay a third party to relocate the Lessee's building(s) to a new location on the airport, or
		2. pay the Lessee the fair market value of the building(s)
12. **Snow Removal:** The Lessor agrees to plow and remove the snow, at no extra charge, from the taxiways in front of the hangars, except within 10 feet of hangar doors. The manner, speed and timeliness of snow removal shall be in the sole discretion of the Lessor, and may vary from year-to-year and from snowfall-to-snowfall. Snow removal from the taxiways in front of Lessor's hangar shall be accomplished only after all runways, aprons, and primary taxiways have been first cleared. Lessee hereby releases and holds the Lessor harmless from any liability for any and all damages, incurred by the Lessee, caused by or arising from the mariner, speed or timeliness of the Lessor's snow removal.
13. **Right to Inspect:** Lessor reserves the right to enter upon the premises at any reasonable time for the purpose of making any inspection it may deem expedient to the proper enforcement of any of the covenants or conditions of this agreement, or to the operation of the airport.
14. **Hold Harmless:** The Lessor shall not be liable to the Lessee for, and Lessee shall hold the Lessor harmless from, any and allclaims, damages or losses caused by the acts or omissions of the Lessee, its family, guests, invitees, employees, agents, representatives or servants, relating to or arising out of Lessee's use and enjoyment of the Airport or the rights and privileges granted by this lease. The Lessor shall not be liable for any loss or damage, not caused by negligent acts or omissions of the Lessor, which Lessee may sustain from:
	1. Theft or burglary in or about the premises;
	2. Delay or interruption in any utility service from any cause whatsoever;
	3. Fire, water, rain, frost, snow, gas, odors or fumes from any source whatsoever;
	4. Any injury to any person or damage to any property; or
	5. Failure to keep the Airport premises, appurtenances, fixtures and/or equipment in repair.
15. **Insurance:** Lessee shall, during the entire term hereof and at its sole cost and expense, maintain fire and extended coverage insurance on Lessee's hangar and all furniture, fixtures, equipment and personal property owned by the Lessee located on the Airport. Lessor shall have no obligation to provide insurance for any of Lessee’s personal property, or for Lessee's buildings, fixtures or equipment which may be attached to or placed upon the Lessor's real estate.

Lessee shall, during the entire term hereof and at its sole cost and expense, maintain comprehensive general liability insurance against claims for bodily injury or death occurring in or about the premises, such insurance to afford minimum protection during the term of this Contract of not less than $1,000,000.00 with respect to bodily injury or death to any one person and not less than $1,000,000.00 with respect to any one accident, and of not less than $500,000.00 for property damage. Lessee shall furnish to Lessor a certificate of any such policies of insurance required under this paragraph.

* 1. The insurance policies required to be carried by Lessor hereunder shall contain provisions that such policies are not subject to cancellation or change without at least 30 days written notice to the Lessee.
	2. Any insurance required to be maintained by Lessee under this section may be provided and maintained by blanket insurance covering the premises and other locations, properties and insurable interests of the Lessee, provided that the coverage obtained by such blanket policy shall be in a manner sufficient to satisfy the obligations of Lessee under this Section
1. **Abandonment:** If the Lessee fails to use the hangar, for the purpose of storing aircraft owned by the Lessee, for a continuous period of 12 months, then the Lessor may, in Lessor's sole discretion, terminate this lease.
2. **Liens and Encumbrances:** The Lessee shall neither create, nor cause or permit to be created, any lien, encumbrance, security interest or other charge, including liens for work, labor or materials furnished, or alleged to have been furnished, on the leased premises.
3. **Default and Termination:**
	1. **Default Defined:** Lessee shall be deemed in default upon
		1. Failure to pay rent or any other properly-imposed fee within 30 days after due date.
		2. The filing of any petition under the Federal Bankruptcy Act or any amendment thereto, including a petition for reorganization.
		3. The commencement of any proceeding for dissolution or for the appointment of a receiver.
		4. The making of an assignment for the benefit of creditors.
		5. Violation of any of the other terms or conditions of this lease after written notice to cease and/or correct such violation has been served upon the Lessee by the Lessor, and after the Lessee has failed to correct such violation within thirty (30) days of service of such notice (or such later deadline as may be established in the Notice by the Lessee). Mailing notice by U.S. Mail, Certified Mail, shall constitute "service" of notice. In the case of a violation which cannot with due diligence be cured within a period established, the Lessee may apply to the Lessor for an extension of time within which to cure said violation.
	2. **Effect of Default:** Default by the Lessee shall authorize the Lessor, at its sole option, to declare this lease void, to cancel the same, and to re-enter and take possession of the premises.
	3. **Remedies:** Except otherwise provided herein, no right or remedy herein conferred shall be considered exclusive of any other right or remedy and each and every right and remedy shall be cumulative and in addition to any other right and remedy given hereunder, or now or hereafter existing at law or in equity or by statute
	4. **Restoration of Property:** Upon termination of this lease, the Lessee shall remove all of its buildings, equipment, and property, and restore the leased premises to its original vacant condition within 90 days, unless the Lessor agrees, in writing, to accept allor any part of the property which the Lessee wishes to abandon. Abandoned structures and improvements shall become the property of the Lessor.
	5. **Non-waiver:** Any intentional or unintentional waiver by the Lessor of any violation of this Contract by the Lessee shall not be construed or interpreted to be a waiver of any other prior, subsequent or contemporaneous violation.
4. **Title:** Title to the building erected by the Lessee shall remain with the Lessee and shall be transferable. Upon termination of this lease, the Lessee shall remove the buildings, equipment, and personal property, and restore the leased property to its original condition, unless otherwise agreed by in writing by Lessor.
5. **First Right of Refusal:** During the term of the lease, Lessee hereby grants Lessor the right to have the first opportunity to purchase the hangar if and when such becomes available and the first right to meet any other offer from a third party. The terms of any such third-party offer shall be delivered in writing to Lessor, and Lessor shall have thirty (30) days from receipt in which to agree to meet the terms of said offer. If Lessor does not elect to purchase the hangar, Lessee may transfer the hangar to the third party on the same terms of the original offer. If Lessee does not transfer the hangar pursuant to said offer, the term of this paragraph shall continue to apply.
6. **Lease Transfer:** The Lessee may not assign or transfer this agreement or any interest contained herein, without the consent of the Lessor, which consent shall not be unreasonably withheld.
7. **Subordination:** This lease shall be subordinate to the provisions of any existing or future agreement between the Lessor and the United States or the State of Wisconsin 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 or state funds for the development of the airport. Furthermore, this lease may be amended to include provisions required by those agreements with the United States or the State of Wisconsin.
8. **Nondiscrimination:** The Lessee, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land 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 the Subject Property or Lessee’s Improvements.
	2. In the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination,
	3. The Lessee shall use the Subject Property and Lessee’s Improvements in compliance with all other requirements imposed by 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.
9. **National Emergency:** During time of War or other State or National emergency, the Lessor shall have the right to suspend this Contract, and to turn over operation and control of the Airport to the State of Wisconsin and/or the United States Government During any period when the airport shall be closed by any lawful authority, thereby restricting the use of the airport in such a manner as to interfere with the use of same by Lessee, the rent shall abate, and the period of such closure shall be added to the term of this lease so as to extend and postpone the expiration thereof.
10. **Arbitration:** Any controversy or claim arising out of or relating to this lease or any alleged breach thereof, which cannot be settled between the parties, shall be settled by arbitration in accordance with the rules of the American Arbitration Association, and judgment upon the dispute by the arbitrator(s) shall be final and binding on the parties.
11. **Severability:** This lease shall be construed under the laws of the State of Wisconsin. Any covenant, condition, or provisions herein contained that is held to be invalid by any court of competent jurisdiction shall be considered deleted from this lease, but such deletion shall in no way affect any other covenant, condition, or provision herein contained so land as such deletion does not materially prejudice Lessor or Lessee in their respective rights and obligations contain in the valid remaining covenants, conditions and provisions of the lease, and when such occurs, only such other covenants, conditions or provisions shall be deleted as are incapable of enforcement.