

THE TOWN OF LEESBURG
LEESBURG EXECUTIVE AIRPORT

HANGAR LEASE AGREEMENT

THIS HANGAR LEASE AGREEMENT (hereinafter the "Lease") is made and entered into this _____ day of _____, 20____, by and between the Town of Leesburg, a municipal corporation of the Commonwealth of Virginia (hereinafter the "Landlord") and the Tenant(s) identified below:

Tenant(s) Name(s)

Hangar No. _____

Rent \$ _____/month

Aircraft Owner/Tenant

Description of Aircraft:

Corp. ID No. _____

"N" Number: _____

Legal Name of Aircraft Titleholder:

Year: _____

Manufacturer: _____

Model: _____

Color(s): _____

Mailing Address of Tenant(s)

Aircraft Owner if other than Tenant:

Tenant(s) Telephone Numbers

Home: () _____

Cell Phone: () _____

Work: () _____

Fax: () _____

1. Premises. Landlord hereby leases to Tenant and Tenant leases from Landlord, for the term, at the rental rate, and subject to and upon all of the terms and conditions set forth herein, that certain Hangar number _____ (hereinafter the "Hangar") located at the Leesburg Executive Airport referred to as the "Premises". The Premises shall be used and occupied by Tenant solely for the storage of aircraft (hereinafter the "Aircraft"), said Aircraft being wholly or partially owned or leased by Tenant. Proof of ownership of lease shall be provided to Landlord. Tenant may not store in the hangar any aircraft not owned or leased by Tenant. Tenant agrees to notify the Landlord of any change or replacement aircraft, to provide the Landlord the type, N-number and color of any replacement aircraft, and such change shall be subject to the prior written approval of the Landlord. If the Tenant sells, divests, or otherwise loses the use of the aircraft identified above, and does not replace it within thirty (30) days with an aircraft owned by the Tenant, this agreement is terminated. For good cause shown, the Airport Director may extend this time for a period not to exceed sixty (60) days. In addition to the Premises, Tenant shall have a right of ingress and egress over, through and across the taxiways and runways of the Airport.

2. Term. The term of this Lease shall be for one (1) year, commencing on this day, of _____, 20____ and ending on this _____ day of _____, 20____ unless earlier terminated under the terms of this Lease. Thereafter, this Lease shall be automatically renewed and shall continue in effect for thirty (30) day terms upon the same terms and conditions of this Lease unless terminated by either party as provided herein. The Tenant or Landlord may terminate this Lease upon request providing thirty (30) days written notice.

3. (a) Initial Rent. Tenant shall pay to Landlord as rent for the Premises, monthly payments in the amount of _____ dollars (\$_____), **due in advance, on the first day of each month hereof.** Rent for any period during the term hereof which is less than one month shall be in the amount equal to pro rata portion of the monthly installment. If default shall be made in payment of any part of said rent after the same becomes due, or in the case of a breach or evasion or any attempt to breach or evade any of the covenants or conditions of this Agreement, Landlord may terminate this Lease. Tenant further agrees that any rental not paid by the fifth (5th) day of the month after it is due shall be considered past due and agrees to pay a late charge of ten percent (10%) interest per month on the past due amount for any period said rent is considered past due. **Payments of rent shall be made payable to The Town of Leesburg and delivered to the Airport Director, Leesburg Executive Airport, 1001 Sycolin Road, Leesburg, Virginia, 20175.**

(b) Security Deposit. Tenant shall pay to Landlord upon execution of this lease the amount of \$ _____ equal to one (1) month's rent, which shall be a security deposit for Tenant's faithful performance of Tenant's obligations under this lease agreement. If Tenant fails to pay rent or other charges due under this agreement, or otherwise defaults with respect to any provision of this lease agreement, Landlord may use, apply, or retain all or any parts of the deposit to cure the default or to compensate Landlord for all damages sustained by it resulting from Tenant's default. If any part of the deposit is so used or applied, Tenant shall, upon demand, deposit cash with Landlord

in an amount sufficient to restore the security deposit to its original amount. Tenant's failure to do so shall be a material breach of this lease agreement and shall constitute default hereunder. Landlord may commingle the security deposit with security deposits received from other tenants. If Tenant shall fully and faithfully perform all of its obligations under this lease agreement, the security deposit or any balance of the security deposit shall be returned to Tenant (or, at the Landlord's option, to the last assignee, if any, of Tenant's interest under this lease agreement) at the expiration of the term of this lease agreement, or after Tenant has vacated the demised premises, whichever is later. Landlord will apply interest on the deposit in accordance with the laws of the Commonwealth of Virginia.

(c) Rent Increase. Landlord may review and adjust rent for Premises on an annual basis. Tenant shall be provided thirty (30) days notice in writing of any adjustment of rent.

4. Use of Premises.

(a) The Landlord leases the Hangar identified herein to Tenant, together with the right of access to the Hangar, subject however to the right of the Landlord to control the Airport and Hangar use and access. **The Premises shall be occupied and used exclusively for the storage of the Aircraft and for no other purpose.** No aircraft other than the Aircraft identified herein above may occupy the Premises without prior written consent of the Landlord.

(b) No commercial activity of any kind whatsoever shall be conducted by Tenant on, from, around or adjacent to the Premises, which commercial activity shall include, but not be limited to, the sales, rental, charter or leasing of aircraft, providing of flight instruction, aerial survey or photography work.

(c) Tenant is not permitted to use the Premises for the storage of automobiles, vehicles, boats, or other personal property not directly associated with the operation of the aircraft, however Tenant may use the Premises for parking of a properly titled and licensed vehicle while the aircraft described in this lease is in use. Tenant acknowledges and agrees that the Landlord shall determine in its sole discretion whether any item of personal property is directly associated with the operation of the aircraft, and the Tenant shall immediately remove any and all items of personal property identified by the Landlord in writing as unacceptable. Unacceptable items of personal property include, but are not limited to, furniture, quantities of cardboard boxes, books, brochures, or magazines, shop equipment such as compressors or drill presses, or appliances such as refrigerators.

(d) The tenant is not permitted, nor shall the Tenant permit others, to perform maintenance on any aircraft in or about the leased premises, except for such routine preventative maintenance performed by the owner without the assistance of an FAA certificated aircraft, powerplant, or avionics technician. Maintenance is defined as the inspection, overhaul, minor or major repair, minor or major alteration, or preservation of an aircraft, powerplant, propeller or applicable

and the replacement or parts thereto, but it excludes preventative maintenance as defined in 14 CFR 43 Appendix A provided that the person performing the preventative maintenance is qualified as specified in 14 CFR 65 Subpart D. The tenant shall not perform or permit others to perform any hazardous operations including fuel transfer, welding, torch cutting, torch soldering, doping and spray painting on the premises. All flammable liquid storage cabinets shall be in accordance with the standards set forth in the National Fire Protection Association (NFPA) Number 30, Flammable Materials and Number 409, Aircraft Hangars.

(e) Heaters. Tenant is not permitted to operate any space heaters in hangar.

(f) Repairs. Tenant shall be liable and solely responsible, at the Tenant's sole expense, to repair any damage caused to the Premises by Tenant, its agents, employees or invitees, and restore the Premises to its original condition. Such damage may include, but is not limited to, bent or broken interior walls, damage to floors due to fuel or oil spills, or doors damaged due to Tenant's improper or negligent operation.

(g) Applicable Rules and Regulations. In utilizing the Premises, Tenant further agrees to and shall comply with all applicable ordinances, resolutions, rules and regulations established by any federal, state or local government or agency, or by Landlord.

(h) Termination/Surrender. Upon the termination of this Lease, Tenant shall immediately surrender possession of the Premises to Landlord and shall immediately remove the Aircraft and all other personal property from the Premises, and shall return the Premises to Landlord in the same condition as when received, ordinary wear and tear excepted

(i) Tenant shall control the conduct and demeanor of its invitees in and around the hangar and shall take all steps necessary to remove people whom the Landlord may, for good and sufficient cause, deem objectionable. Use of the Premises for consumption of alcoholic beverages is strictly prohibited. The Tenant shall not smoke, or authorize, suffer or permit others to smoke within the hangar, nor shall the Tenant cause, suffer, or permit there to be any type of cooking device of any nature within the hangar.

(j) Aircraft shall not be fueled while in the hangar at any time.

5. Condition of Premises. Tenant shall accept the Premises in its present condition, as is. Landlord will accept and review written repair requests, but is under no liability or obligation to make and alterations, improvements, or repairs of any kind within or to the premises that it deems unfeasible. The Premises are to be kept and maintained by the Tenant in good condition and repair as it presently exists as of the date of this lease, and the floor shall be kept free of debris.

6. Hazardous Materials. Tenant hereby agrees that it shall not store or dispose of on the Premises any “Hazardous Materials” as defined by federal, state, or local law, as from time to time amended. Tenant hereby further agrees that it shall indemnify and hold harmless Landlord for any injury, loss, costs, fines, penalties, and/or damages arising out of or incident to Tenant’s failure to comply with this provision regarding “Hazardous Materials” and/or Tenant’s failure to comply with all federal, state, and local laws regarding “Hazardous Materials”. This provision shall not apply to the storage of flammable liquids necessary for the operation of aircraft, provided that such flammable materials are properly and safely stored in approved safety cans, flammable liquid storage cabinets in accordance with National Fire Protection Association (“NFPA”) Standard Number 30, as amended from time to time, and further provided that the storage of any such flammable liquids shall be limited to a maximum of five (5) gallons. The storage of flammable liquids on the Premises is, however, strongly discouraged. In no event shall any such flammable liquids be disposed of on the Premises.

7. Airport Rules and Regulations. Tenant agrees to observe, obey, and comply with any and all rules and regulations with respect to the use of the Premises and the Airport, as amended from time to time, including but not limited to such rules and regulations governing flight patterns and noise abatement. Tenant hereby acknowledges receipt of the Leesburg Executive Airport Rules and Regulations and Minimum Operating Standards. Tenant shall ensure that its employees, agents, invitees, and any other persons over whom it has control comply with Airport rules, regulations, policies, and ordinances governing the use of the Airport as are amended from time to time. Failure of the Tenant(s) of Tenant’s employees, agents, and/or invitees to comply with the Rules and Regulations is grounds for eviction and termination of this Lease; for refusal to extend this Lease or grant another Lease; or for penalties as provided therein.

8. Insurance. The Tenant agrees to maintain at its own expense insurance of such types and in such amounts as may be approved in the sole discretion of the Landlord, insuring against liability for damage or loss to the Aircraft or other property, and against liability for personal injury or death, arising from act or omissions of Tenant, its agents and employees. Prior to the commencement of this Agreement, Tenant shall deliver to Landlord, certificates or binders evidencing the existence of the insurance required herein. The Tenant shall provide proof of insurance on or before January 1 of each year of the policy term. The Landlord shall provide the Airport Director proof that the aircraft is registered with Virginia Department of Aviation each calendar year on the anniversary date of the renewal. Within thirty (30) days of signing this agreement, Tenant shall provide a copy of the FAA aircraft registration for the aircraft stored in the hangar to the Airport Director.

Tenant shall name Landlord as an additional insured on any and all such insurance policies and shall provide written proof of such insurance coverage to Landlord on annual basis. All insurance policies shall contain a provision whereby Landlord receives notification of cancellation thirty (30) days prior to cancellation of the policy. Tenant shall not engage in any activity upon the Premises contrary to the terms and conditions of such insurance policies whereby the hazard or liability may be increased or the insurance invalidated or coverage reduced. Tenant will provide updated,

superceded or renewal policies to be filled with the Airport Director within in ten (10) days of receipt of same by Tenant.

9. Indemnity/Force Majeure. Tenant agrees that it shall indemnify and hold harmless Landlord and its officers, agents, representatives and employees, and save it harmless from and against any and all claims, suits, actions, demands, fines, damages, liabilities, and expense in connection with loss of life, personal injury, and/or damage to person or property arising from or out of any occurrence in, upon, or on the leased Premises or any part thereof or in connection with Tenant's use of the Airport or occasioned wholly or in part by an act of omission of Tenant, its representatives, invitees, or licenses. In the event that Landlord or its officers, agents, representatives or employees shall, without fault on its part, be made a party to any litigation commenced by or against Tenant, then Tenant shall protect and hold the same harmless and shall pay all costs, expenses and reasonable attorneys' fees incurred or paid in connection with such litigation, except that Tenant shall not be liable for any injury, damage or loss occasioned by the sole negligence or willful misconduct of Landlord, its officials, agents, representatives or employees.

Tenant further agrees to release, indemnify and hold harmless Landlord, its officers, agents, representatives and employees from and against any and all liabilities, damages, business interruptions, delays, losses, claims, judgments, of any kinds whatsoever, including all costs, attorneys' fees and expenses incidental thereto, which may be suffered by or charges to Landlord by reason of any loss of or damage to any property or injury or death to any person arising out of or by reason of any breach, violation, or non performance by Tenant or its agents, representatives, invitees, or licensees of any covenant or condition of the Lease or by any act or failure to act of those persons. Landlord shall not be liable for its failure to perform this Lease or for any loss, injury, damage, or delay of any type or nature whatsoever caused by, resulting from, arising out of or incident to any Act of God, inclement weather, fire, flood, accident, strike, labor dispute, riot, insurrection, war, or any other cause beyond Landlord's control.

10. Condemnation. "Condemnation" shall mean the taking of more than thirty percent (30%) of the rentable space or any part of the Premises by a governmental body under condemnation law or similar authority. In the event of condemnation the Lease shall terminate as of the date of such Condemnation. If there is a lesser taking of the Premises then Tenant's rent shall be proportionately reduced to the extent of its use of the Premises.

11. Destruction. "Destruction" shall mean damage or destruction to the Premises of the T-Hangar to the extent that the cost of repair is greater than thirty percent (30%) of the fair market value of either immediately prior to such damage or destruction. If at any time during the term of this Lease there is damage to the Hangar or Premises, whether or not an insured loss (including destruction required by any authorized public authority), which may be classified as destruction, this Lease shall at Landlord's option, terminate as of the date of such destruction. Notwithstanding the foregoing, if Landlord completes rebuilding of the Premises at Landlord's option within the Lease term, then Tenant shall

have the right to reoccupy the Premises upon the terms and conditions that will be in effect at the time. Landlord reserves the absolute right to make determination to rebuild and the right not to rebuild the Premises.

Subject to the provisions on condemnation and damage near the end of the term, if at any time during the term of this Lease there is damage which does not fall within the classification of Destruction, unless caused by a negligent or willful act of Tenant (in which event Tenant shall make the repairs at Tenant's sole expense), Landlord will repair such damages within a reasonable time at Landlord's expense, in which event this Lease shall continue in full force and effect.

12. Damage Near End of Term. If at any time during the last six (6) months of the term of the Lease there is damage, or Destruction as defined above, Landlord or Tenant may cancel and terminate this Lease as of the date of occurrence of such damage or Destruction by giving written notice within thirty (30) days after the date of occurrence of such damage or Destruction.

13. Abatement of Rent; Tenant's Remedies.

(a) In the event of damage described in paragraphs 11 and 12 of this Lease, while Landlord repairs or restores the Premises, the rent payable hereunder for the period during which such damage, repair, and restoration continues shall be abated in proportion to the degree to which Tenant's use of the Premises is impaired.

(b) If Landlord shall be obligated to repair or restore the Premises shall not commence such repair or restoration within a reasonable time after such obligations shall accrue, Tenant may at its option cancel and terminate the Lease by giving Landlord written notice of Tenant's election to do so, provided that Landlord has been given a reasonable amount of time in which to commence such repair or restoration. In such event this Lease shall terminate as of the date of such notice.

14. Alteration. Tenant covenants and agrees not to install any signs or fixtures to make any alteration, additions, or improvements to the Premises without the prior written approval of Landlord. All fixtures installed or additions and improvements made to the Premises shall become Landlord's property; and shall remain in the Premises at the termination of this Agreement, however terminated, without compensation or payment to the Tenant.

15. Services Provided. Landlord will maintain the structural components of the Premises including doors, door mechanism and locking system. Locking systems shall not be altered, changed or supplemented. Landlord will provide normal building maintenance including snow removal without additional cost to Tenant.

16. Assignment and Subletting. Tenant shall not voluntarily or by operation of law assign, transfer, mortgage, sublet, or otherwise transfer or encumber, in whole or in part, Tenant's interest in this Lease or in the Premises. The parking of aircraft not owned wholly or partially or leased by Tenant in the Hangar shall

constitute a sublease. The prohibition on assignment and subletting extends to corporate entities of which Tenant may be a shareholder.

17. Rent Subject to Change. Lease rent per month is subject to change with thirty (30) days notice. Lease will remain in effect until cancelled in writing by either party upon thirty (30) days notice.

18. Tenant Defaults and Remedies. The occurrence of any one of the following events shall constitute a breach of this Lease and default by Tenant.

(a) The failure by Tenant to observe or perform any of the material covenants, conditions, or provisions, including the payment of rent when due of this Lease to be observed or performed by Tenant when such default shall continue for five (5) days after written notice thereof from Landlord to the Tenant by certified mail to the address provided on this Lease.

(b) The failure by Tenant, its employees, agents, and invitees, to comply with the Rules and Regulations.

19. Remedies Upon Default. Upon any breach of this Lease by Tenant:

(a) Landlord shall, at its discretion, and without further notice, have the right to terminate this Lease and to remove the Aircraft and any other personal property of Tenant from the Premises, without being deemed guilty of trespass, breach of peace or forcible entry and detainer, and Tenant hereby expressly waives the service of any notice. Exercise by Landlord of the aforementioned rights and remedies shall not prejudice Landlord's right to pursue any other remedy available to Landlord in law or equity for Tenant's breach.

(b) The Tenant hereby specifically authorizes Landlord to remove the aircraft, without any responsibility or liability on Landlord's part in regards to the condition of the aircraft either during or after Landlord's removal of the aircraft. Tenant shall also be liable for any storage or towing fees incurred as a result of Landlord's removal of said aircraft.

20. Default by Landlord. Landlord shall not be in default unless Landlord fails to perform obligations required of Landlord within a reasonable time, but in no event later than thirty (30) days after receipt of written notice by Tenant. If the nature of Landlord's obligation is such that more than thirty (30) days are required for performance then Landlord shall not be in default if Landlord commences performance within such thirty (30) days period and thereafter diligently pursues the same to completion.

21. DISCLAIMER OF LIABILITY. LANDLORD HEREBY DISCLAIMS AND TENANT HEREBY RELEASES LANDLORD FROM ANY AND ALL LIABILITY, WHETHER IN CONTRACT OR TORT (INCLUDING STRICT LIABILITY), FOR ANY LOSS, DAMAGE OR INJURY OF ANY NATURE WHATSOEVER SUSTAINED BY TENANT, ITS AGENTS, REPRESENTATIVES, INVITEES OR

LICENSEES, DURING THE TERM OF THIS LEASE, INCLUDING BUT NOT LIMITED TO LOSS, DAMAGE OR INJURY TO THE AIRCRAFT OR OTHER PROPERTY OF TENANT THAT MAY BE LOCATED WITHIN THE PREMISES, UNLESS SUCH LOSS, DAMAGE, OR INJURY IS CAUSED SOLELY BY LANDLORD'S SOLE NEGLIGENCE. THE PARTIES HEREBY AGREE THAT UNDER NO CIRCUMSTANCES SHALL LANDLORD BE LIABLE FOR INDIRECT, SPECIAL, OR PUNITIVE DAMAGES, WHETHER IN CONTRACT OR TORT (INCLUDING STRICT LIABILITY AND NEGLIGENCE), SUCH AS, BUT NOT LIMITED TO, LOSS OF REVENUE OR ANTICIPATED PROFITS OR OTHER DAMAGE RELATED TO THE LEASE OF THE PREMISES UNDER THIS LEASE.

22. Notices. Any notice given hereunder shall be in writing and may be given by personal delivery or by certified mail, return receipt requested, at the following address:

Landlord:

The Town of Leesburg
1001 Sycolin Road SE
Leesburg, VA 20175
703-737-7125

Tenant:

Tenant is required to notify Landlord of address and telephone number changes.

23. Subordination. This Lease may be subordinated by Landlord to any ground lease, mortgage or deed of trust placed upon the property upon which the Premises is located, so long as the holder of such obligation agrees to recognize this Lease if Tenant is not then materially in default under the Lease.

24. Inspection of Premises. Landlord shall have the right to enter the Premises to inspect, repair, alter, or improve the Premises. Landlord may enter premises under emergency conditions without notice. The Tenant shall not change or cause to be changed the keyed cylinder lock for the access pool for any reason.

25. Attorneys' Fees. If either part brings an action to enforce the terms of this Lease, the prevailing party shall be entitled to reasonable attorneys' fees.

26. No Waiver. No waiver by Landlord of any breach by Tenant of any of the terms, agreements, covenants or conditions of this Lease shall be deemed to constitute a waiver of any subsequent breach thereof, or a waiver of any breach of any of the other terms, agreements, covenants or conditions of this Lease. No provision of this Lease shall be deemed to have been waived by Landlord, unless such waiver shall be in writing signed by the Landlord.

27. Remedies Cumulative. The rights and remedies with respect to any of the Terms and conditions of this lease shall be cumulative and not exclusive and shall be in addition to all other rights and remedies.

28. Applicable Law. The law of the Commonwealth of Virginia shall govern the construction, interpretation, validity, performance and enforcement of this Lease.

29. Severability. If any term or provision of this Lease or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Lease or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each other term and provision of this Lease shall be valid and enforceable to the fullest extent permitted by law.

30. Integration. This Lease contains the entire agreement between the parties, and any agreement hereafter made shall be ineffective to change, modify, discharge or effect an abandonment in whole or in part unless such agreement is in writing and signed by the party against whom enforcement of the change, modification, discharge, or abandonment is sought.

31. Binding Effect. This Lease shall be binding upon and shall inure to the benefit of the parties hereto, and the heirs, personal representatives, successors and assigns of said parties.

IN WITNESS WHEREOF, the parties hereto have executed this Lease on the date first written above.

WITNESS:

WITNESS:

LANDLORD:

THE TOWN OF LEESBURG

By: _____
Douglas McNeeley, CM
Airport Director

TENANT:

By: _____