



**Bowie Municipal Airport Hangar Lease Agreement**

STATE OF TEXAS )  
 )  
CITY OF BOWIE )

**KNOW ALL PERSONS BY THESE PRESENTS:**

This lease is entered into this \_\_\_ day of \_\_\_\_\_, 20\_\_\_, between the City of Bowie Airport, hereinafter referred to as the "Lessor" and is the owner of the Bowie Municipal Airport, hereinafter referred to as "Airport" and \_\_\_\_\_ (a corporation, partnership, individual or sole proprietor), hereinafter referred to as "Lessee" who covenant and agree as follows:

WHEREAS, Lessor and Lessee are committed to the proper operation, improvement, and continued development of the Airport; and

WHEREAS, Lessor deems it advantageous to itself and to the operation of the Airport to lease to Lessee a certain hangar as stated herein;

NOW THEREFORE, inconsideration of the terms, considerations, and privileges listed herein, Lessor and Lessee covenant and agree as follows:

**Section 1. Lease of Hangar**

**Lessor agrees to lease to Lessee and Lessee agrees to lease from Lessor hangar \_\_\_\_\_, located at Bowie Municipal Airport, for the purpose of storing/parking the following aircraft:**

**Aircraft Make** \_\_\_\_\_

**Aircraft Model** \_\_\_\_\_

**Aircraft Year** \_\_\_\_\_

**Aircraft Registration Number** \_\_\_\_\_

**Aircraft Serial Number** \_\_\_\_\_

Lessee hereby leases the said Hangar from Lessor subject to the terms, considerations, and privileges stated herein.

## Section 2. Term.

**The term of this lease will be for 5 years.**

## Section 3. Consideration

- A. In consideration for the lease of the Hangar referenced herein, Lessee hereby agrees to pay monthly the sum of \$\_\_\_\_\_, the first month's payment to be made in advance. Thereafter, all future payments **shall be made on or before the due date established by the Lessor.**
- B. Lessee agrees that the lease payment listed herein shall be subject to review and adjustment by Lessor at five (5) year intervals throughout the term of the lease and prior to any extensions granted. Any adjustments to the lease payment shall be based on the U.S. Department of Commerce's Consumer Price Index (CPI) and shall be by an amount agreed upon by Lessee and Lessor at the commence with of this lease which will be \_\_\_\_\_. The adjusted lease fee shall be calculated on the fifth (5<sup>th</sup>) year anniversary of this lease and recalculated at subsequent five (5) year intervals. Such increase in the lease payment shall begin immediately upon request from Lessor and continue at that rate until the next five (5) year anniversary. Upon review, if the CPI shall have decreased as compared to the previous review date, the lease fee for the subject Hangar shall not be decreased, but shall remain at the same level as was charged during the preceding five (5) year period.
- C. All lease fees shall be paid as the same becomes due, without demand, in lawful currency of the United States, made payable to the City of Bowie, Texas, by mail or delivery.
- D. In the event Lessee fails to remit any payments when the same are due, interest at the rate of 10% shall be charged by Lessor beginning on the tenth (10<sup>th</sup>) day after the date the payment is due and such interest shall continue to accrue against such delinquent payment until the payment plus interest is received by Lessor. In the event Lessee shall become delinquent for more than thirty (30) days, this lease may be terminated by Lessor as further defined in Section 7. – Termination.
- E. Lessee agrees that he will at all times keep the premises of the Hangar, including the inside and the outside of the Hangar, clean and free of trash, litter, tall grass, weeds, junked automobiles and scrap aircraft parts. Lessee shall abide by all applicable rules and recommendations of the Environment Protection Agency, the Texas Commission on Environmental Quality, the Texas Department of Agriculture, the Texas Department of Transportation, and any other public agency, including the City of Bowie, concerning the use, storage and

**disposal of hazardous chemicals, fuel, and/or oil. Lessee further agrees to abide by the manufacturer's direction in regard to the use, storage and disposal of all pesticides, herbicides, and other chemical plus their containers used at the airport.** Should Lessee fail to keep the leased Hangar clean and free of hazards, Lessor may, after 15 days written notice, arrange for the cleanup of the unkempt area. Such cleanup shall be charged to Lessee and payable on demand. Failure to render proper payment for such cleanup and/or general disregard for the considerations and restrictions listed in this lease agreement are grounds for Lessor to terminate this lease.

- F. **Taxes, Fees, Insurance and Bond.**-Lessee shall be liable for all taxes and fees owed on or by his personal business or himself. Under no circumstances shall Lessor be liable for or be required to pay any tax or fee owed by Lessee. Lessor shall provide insurance for all Lessor owned property located at the Airport under Lessor's policy which shall be for the sole benefit and protection of Lessor. Lessee should provide his own insurance coverage for any personal property located in or on the Hanger and is required herein to provide business liability insurance or be bonded in the amount of \$250,000.00 with Lessor listed as beneficiary in the event of damage to the Airport for which Lessee is liable and cannot or will not rectify. Certificates of such required insurance and bond shall be furnished by Lessee to Lessor and certificates presently then in effect shall be on file at all times. Any changes in those certificates must have prior written approval of Lessor.

#### Section 4. Permitted use.

- A. Lessee agrees that the leased Hangar may be used for any non-commercial aeronautical activity which must be made known to and agreed upon by Lessor and for no other purposes.
- B. **Lessee agrees that the leased hangar shall house at least one mechanically viable aircraft. No other item of greater value shall be stored in the hangar. Lessee must hold a majority ownership interest in the housed aircraft.**
- C. . Pursuant to 14 CFR Part 43, the Lessee, will be allowed to perform permitted maintenance activities on the Aircraft housed within/on the Leased Premises, provided that it is not done in a manner that would be unsafe, unsightly, or detrimental to the efficient use of the airport facilities by others. Lessee will dispose of used oil only in approved receptacles designated by the Airport Manager. At no time shall the Lessee's aircraft engine(s) be started within the Leased Premises.

**E. Hazardous materials, as defined by the Texas Commission on Environmental Quality, or its' successor(s), shall not be stored in/on the Leased Premises, unless they are stored in accordance with Texas, and EPA rules and regulations and City of Bowie Ordinances.**

#### **Section 5. Restricted Use.**

- A. No automobile, bus, truck, or other transportation mode may be permanently or habitually parked or stored in the Hangar except in approved automobile parking areas and as agreed upon by the Lessor.
- B. Lessee agrees that he will not conduct any commercial activity such as pilot instruction, aerial spraying, charter flights, air taxi, sight seeing, aerial photography, aircraft engine or airframe repair, avionics repair, or any other at the Airport without the written consent of Lessor. Any such approved commercial operation must be in accordance with a separate contractual agreement with Lessor
- C. Lessee agrees not to fuel or defuel any aircraft parked inside the Hangar.
- D. Lessee agrees to have a sufficient number of charged fire extinguishers of acceptable size and classification, as determined by the local fire marshal, inside the Hangar. Such fire extinguisher(s) shall be readily accessible in the event of a fire.
- E. Lessee agrees not to make any additions or modifications to the Hangar unless agreed upon by both parties in writing. In the event of such consent, all improvements or modifications shall be made at the expense of Lessee and, at the expiration of this Lease and any extensions to this lease, shall become the property of the Lessor.
- F. Lessee agrees that he will not operate any nonaviational related business or activity on/in the Hangar without the express written consent of Lessor. Any such nonaviational related business or activity must be so established by a separate contract.

#### **Section 6. Sublease, Assignment, or Sale**

The Lessee shall not sublease, assign, sell, or transfer this contractual agreement or any right hereunder to any person, corporation, or association. Any such sublease, assignment, sale, or transfer shall be grounds, at the option of the Lessor, for the Lessor to immediately terminate this contractual agreement.

## Section 7. Termination.

- A. This contractual agreement may be prematurely terminated by Lessor or Lessee if either fails to abide by the terms and conditions expressed herein and/or if so decreed by a court of competent jurisdiction. Should Lessee be declared bankrupt, incompetent, or become deceased, this contractual agreement shall immediately terminate and shall not be considered as part of Lessee's estate and shall not become an asset of any appointed or assigned guardian, trustee, or receiver. In the event Lessee fails to make timely payments of all taxes or fees, fails to provide proof of required insurance or bond, uses the Airport property or permits the Airport property to be used for any illegal or unauthorized purpose, files bankruptcy, abandons or leaves the property vacant or unoccupied by an aircraft for 30 consecutive days, or violates any of the terms and conditions of this contractual agreement, Lessor has the right to terminate this contractual agreement and retake possession of any Airport property leased to or under the control of Lessee.
- B. Lessee agrees and understands that Lessor reserves the right to further expand, develop, or improve the airport, including the termination of this lease agreement, in such instance that the continued leasing of the Hangar would have a negative impact on any proposed development or improvements at the Airport. This contractual agreement may be terminated regardless of the desires, wishes, or views of the Lessee and without interference or hindrance from Lessee, but only so long as such expansion, development, or improvements are shown on a Texas Department of Transportation and /or FAA approved Airport Layout Plan or Master Plan.
- C. This contract may be prematurely terminated by mutual agreement and consent of both parties **by issuance of a 30-day written notice**. Such termination by mutual agreement shall cause both Lessor and Lessee to be free of any and all requirements of this contract, except as contained in paragraph 7.D. hereunder, and neither Lessor nor Lessee shall have any derogatory remarks or entries made upon their resumes or upon any public or private records which would indicate failure to successfully fulfill the conditions of this contract.
- D. At the termination of this contractual agreement, either by normal expiration, premature termination, or mutual agreement, Lessee shall peaceably vacate the premises. Should Lessee be in default of any monies owed to Lessor, Lessor may take possession of any personal property owned by Lessee and located at the Airport and hold until the monetary default is settled. In such case that Lessee cannot or will not settle any claims against him owed to Lessor, Lessor may liquidate any personal property seized, subject to the disposition of a court of competent jurisdiction. Lessee shall be liable for any and all expenses incurred by Lessor in such action.

**E. Any change in the Lessee owned aircraft assigned to a leased hangar must be submitted to the airport manager for documentation. A sold aircraft attached to a hangar must be replaced with another Lessee owned aircraft within 90 days. If an unsuccessful effort to replace the aircraft exceeds 90 days, the hangar Lessee may request, in writing, one ninety (90)day extension. If the aircraft has not been replaced with an aircraft within the one hundred eighty (180) day time-frame, this hangar lease will be terminated.**

#### **Section 8. Hold Harmless**

Lessee agrees to save and hold harmless Lessor and its agents, servants, and employees of and from any and all liabilities, expenses, causes of action, damages, and / or attorney's fees resulting from or as a result of any of Lessee's business, operation, occupancy, or use of the Airport or from any act or omission of Lessee's agents, servants, or employees. This indemnity agreement shall apply and protect Lessor and its agents, servants, and employees even though it be contended, or even established, that said Lessor or its agents, servants, or employees were negligent or that their conduct or omission in any way caused or contributed to any such liability, expense, cause of action, damage, and / or attorney's fees.

#### **Section 9. Maintenance of Landing Area**

Lessee understands and agrees that Lessor reserves the right, but not the obligation, to maintain the Airport to at least the minimum standards as recommended by the FAA and/or the Texas Department of Transportation. Such right includes the right to maintain and keep in repair all public use areas at the Airport and the right to direct and control all activities as necessary at the Airport. Lessee also understands that Lessor is not obligated by this lease to continue operating the Airport as an airport and may close the Airport at any time and at its own discretion. Such closure shall immediately void this contract and no damages or monies or other compensation will be owed to the Lessee by Lessor.

#### **Section 10. Right of Ingress and Egress**

**Lessee shall have at all times during the term of this contract, the right of ingress and egress from the Leased Premises. To ensure this right, Lessor shall make all reasonable efforts to keep adjacent areas to the Leased Premises free and clear of all hazards and obstructions, natural or manmade.**

## Section 11. Rules and Regulations

**Lessee agrees to comply with the Bowie Code of Ordinances and Airport Rules and Regulations. Lessee will receive written notice of any change to the rules and regulations not later than 20 days after their effective date.**

## Section 12. Inspection

**The Lessor may, with prior notice to the Lessee, enter and inspect the leased Hangar for the purpose of ensuring Lessee's compliance with its obligations under this agreement. In the event of an emergency, the Lessor may enter the leased hangar without prior notice to Lessee.**

## Section 13. Exclusions.

- A. This contractual agreement embraces the entire lease agreement of the parties mentioned herein pertaining to the hangar and no statement, remark, agreement, or understanding, either oral or written, not contained herein shall be recognized or enforced as it pertains to the lease of the hangar, except that this contractual agreement may be modified by written addendum agreed to and signed by all pertinent parties and attached hereto.
- B. For the purpose of this contractual agreement, the singular number shall include the plural and the masculine shall include the feminine and vise-versa, whenever the context so admits or requires.
- C. The "Section" captions and headings are inserted solely for the convenience of reference and are not part of nor intended to govern, limit, or aid in the construction of any provision hereof.
- D. The parties to this contractual agreement hereby acknowledge and agree that they are the principals to the contractual agreement and have the power, right, and authority to enter into this contractual agreement and have the power, right, and authority to enter into this contractual agreement and are not acting as an agent for the benefit of any third party, except that Lessor is acting on behalf to the City of Bowie, Texas.
- E. This contractual agreement shall be governed by the laws of the State of Texas and construed thereunder and venue of any action brought under this contractual agreement shall be in Montague County, Texas.

F. If any section, paragraph, sentence, or phrase entered in the contractual agreement is held to be illegal or unenforceable by a court of competent jurisdiction, such illegality or unenforceability shall not affect the remainder of this contractual agreement and, to this end, the provisions of this contractual agreement are declared to be severable.

EXECUTED this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Lessee Signature

\_\_\_\_\_  
Lessee Printed Name

\_\_\_\_\_  
Address

\_\_\_\_\_  
Phone Number

\_\_\_\_\_  
Airplane N-Number or Unique Identifier

Sponsor: City of Bowie

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Airport Manager