

HANGAR LEASE AGREEMENT  
SHELDON REGIONAL AIRPORT COMMISSION

*Lease adopted by Commission on 3/10/2026*

This Hangar Lease Agreement (this “Agreement”) is entered into on \_\_\_\_\_, \_\_\_\_\_, by and between the Sheldon Regional Airport Commission (“Lessor”), and [insert Lessee's name], (“Lessee”).

The following terms and conditions shall govern the rental of the Hangar (as further defined below) by Lessor to Lessee:

1. **Term and Termination.** The term of this Agreement shall be one month, commencing on [start date] and ending on [end date]. Unless otherwise agreed to by the parties, this Agreement shall renew automatically on a month-to-month basis thereafter. Except as otherwise stated herein, either party may terminate this Agreement by providing the other party with written notice of termination at least thirty (30) days before the end of the then-current term. If such notice is given fewer than thirty (30) days before the end of the current term, the Agreement shall automatically renew for one additional monthly term, and termination shall become effective at the end of that subsequent term.

If Lessee breaches any term of this Agreement, including but not limited to non-payment of rent, misuse of the Hangar, failure to maintain required insurance, or violation of safety rules, Lessor may provide Lessee with a three (3) day written notice to remedy the breach. If Lessee fails to remedy the breach within three (3) days after receiving notice thereof, Lessor may terminate this Agreement immediately upon delivery of a written notice of termination to Lessee. In addition, if, in the reasonable judgment of Lessor or its airport manager, Lessee’s actions or stored property pose an immediate safety hazard to the Hangar or the Airport, Lessor may terminate this Agreement immediately upon delivery of a written notice of termination to Lessee. Upon receipt of a notice of termination, Lessee shall vacate the Hangar within three (3) days, removing all personal property and leaving the Hangar in a clean and undamaged condition, normal wear and tear excepted. If Lessee remains in possession of the Hangar after the termination date without Lessor’s written consent, Lessee shall pay double the monthly rent for each day of holdover, and Lessor may dispose of Lessee’s property left in the Hangar in accordance with the terms of this Agreement. In the event Lessor pursues legal action to enforce this Agreement or recover unpaid rent, Lessee shall be responsible for Lessor’s reasonable attorney fees and related legal costs.

2. **Rent.** Lessee shall pay rent in the amount set by resolution of Lessor, payable by the fifteenth (15<sup>th</sup>) of each month. The parties may agree to an alternative payment schedule, provided that such agreement is documented in writing and signed by both parties. The current rent amount is [\_\_\_\_\_] per month but is subject to change upon thirty (30) days’ written notice to Lessee. Lessor may deliver invoices for rent by electronic mail (or by any other method reasonably determined by Lessor in its discretion) and may also charge an administrative fee of \$[\_\_\_\_\_] per invoice if Lessee requires invoices by mail. A late fee of one and one-half percent (1.5%) of the monthly rent will be charged for payments received after the fifteenth

(15<sup>th</sup>) of the month.

3. **Deposit.** Upon execution of this Agreement, Lessee shall provide a security deposit in the amount of [\_\_\_\_\_], which shall be held by Lessor to secure the performance of Lessee's obligations under this Agreement. The deposit shall be returned to Lessee within thirty (30) days after the termination of this Agreement, less any amounts deducted for unpaid rent, damages, or other charges owed by Lessee.

4. **Hangar.** Lessor agrees to lease to Lessee the hangar located on the Sheldon Regional Airport premises (the "Airport"), designated as Hangar # [\_\_\_\_\_] in [\_\_\_\_\_] hangar, together with reasonably necessary rights of access across Lessor's adjoining areas (the "Hangar"). Lessee accepts the Hangar in its "As-Is" condition.

5. **Aircraft.** The aircraft authorized to be stored in the Hangar shall be a [single/twin] engine aircraft, with the following details: Make: [\_\_\_\_\_] , Model: [\_\_\_\_\_] , Owner N Number: [\_\_\_\_\_] (the "Aircraft"). The Aircraft must be registered with the Federal Aviation Administration (FAA) and maintained in an airworthy condition, as defined by a valid annual inspection within the preceding twelve (12) months, verifiable by maintenance logbooks upon Lessor's request. The Aircraft is required to be partially or wholly owned by Lessee for the duration of this Agreement. Lessee is to supply Lessor with proof of ownership. Lessee is not permitted to store any other aircraft in the Hangar without prior written permission from Lessor.

6. **Use of Hangar.** The Hangar shall be used solely for active aviation purposes, which include:

- a. Storage of the Aircraft;
- b. Final assembly of the Aircraft, if under construction;
- c. Maintenance, repair, or refurbishment of the Aircraft, provided that such activities are conducted in a safe and non-disruptive manner and in compliance with all applicable laws and regulations;
- d. Storage of the Aircraft's handling equipment (e.g. towbars, glider tow equipment, workbenches), and tools, and materials used in the maintenance, repair, or outfitting of the Aircraft.

Lessee shall not engage in any commercial activities, such as sales or services to the public, within the Hangar, unless approved in writing by Lessor and performed in accordance with FAA regulations.

Non-aeronautical items may be stored in the Hangar only if they do not interfere with the aeronautical use of the Hangar, as determined by Lessor. An item interferes with the aeronautical use of the Hangar if the item:

- a. Impedes the movement of aircraft in and out of the Hangar and taxi lanes;
- b. Displaces the aeronautical contents of the Hangar. A vehicle parked at

the Hangar or on Lessee's approach in such a manner that it does not impede other uses of the taxi lane while the vehicle owner is using the Aircraft will not be considered to displace the Aircraft;

c. Impedes access to the Aircraft or other aeronautical contents of the Hangar; or

d. Is used for the conduct of a non-aviation business function (including storage of inventory).

Any non-aeronautical use of the Hangar requires prior written approval from Lessor and may be subject to additional fees or conditions. The Hangar shall not be used for the storage of non-aviation vehicles or equipment, except as incidental to the aviation use (e.g., a vehicle used to transport the Aircraft owner to and from the airport while the Aircraft is in use).

7. **Compliance with Rules.** Lessee shall comply with all rules, regulations, and ordinances established by Lessor and/or the City of Sheldon (the "City"). Lessee acknowledges and agrees that such rules and regulations may change, upon Lessor providing Lessee with thirty (30) days' advanced written notice. Failure to comply with any rule, regulation, or ordinance may result in the termination of this Agreement, as reasonably determined by Lessor in its sole discretion.

8. **Airport or Hangar Unusable.** In the event that the Airport or the Hangar is rendered unusable for any reason, either Lessor, or Lessee, may terminate this Agreement. In such a case, Lessee will be entitled to a reasonable and proportionate abatement of the rent already paid for the month in which the Airport or Hangar is rendered unusable.

9. **No Modifications.** Lessee may not alter the Hangar or remodel any buildings or structures situated within the Hangar without Lessor's prior written consent. Any such modifications must comply with all applicable permits, codes, laws, rules, and regulations. Should any part of the Hangar be modified by Lessee without Lessor's consent, it will be the responsibility of Lessee, at its sole expense, to restore the Hangar to its original condition. Any approved alterations shall become a permanent part of the Hangar and not be subject to removal by Lessee without prior written approval of Lessor.

10. **Fuel.** Lessee shall not keep or store more than five (5) gallons of fuel in the Hangar. Fuel containers must be in an OSHA approved container and labeled. Lessee may not defuel or refuel the Aircraft or transfer any fuel from one vessel to another within the Hangar.

11. **Sublease/Assignment.** This Agreement, or any part thereof, may not be assigned by Lessee without the prior written consent of Lessor.

12. **Maintenance of Hangar.** Lessor will maintain the structural components of the Hangar, including doors and door mechanisms. Lessee shall be responsible for and liable for any damage to the Hangar related to Lessee's use.

13. **Hangar Doors Kept Closed.** Lessee shall keep Hangar doors closed at all times, unless Lessee is utilizing the Hangar for operational purposes and is present at the

Hangar. If Lessee fails to follow this requirement and leaves a Hangar door open, any resulting damage to the Hangar, any aircraft, or any other property inside the Hangar will be the sole responsibility of Lessee.

14. **Liabilities.** Lessor expressly disclaims liability for damage to or loss of the Aircraft or Lessee’s personal property stored in the Hangar, including damage caused by weather, vandalism, theft, or third-party actions, unless due to the sole negligence or willful misconduct of Lessor. Lessee expressly releases Lessor, the City, and their agents, employees, or officers from any claims, actions, proceedings, damages, or liabilities arising from such damage or loss, unless caused by Lessor’s sole negligence or willful misconduct.

15. **Insurance.**

a. **Lessee’s General Liability Insurance.** Lessee agrees to procure and maintain, at its sole cost and expense, liability insurance coverage in accordance with one (and only one) of the following options, as selected by Lessor by checking the box next to the applicable option, based on the nature of Lessee’s status and intended use of the Hangar. For the avoidance of doubt, Option A shall apply to any Lessee that is a legal entity or whose intended use of the Hangar includes, arises from, or is in any way connected with any commercial activity, and Option B shall apply solely to an individual Lessee using the Hangar exclusively for non-commercial, personal purposes:

**Option A: Commercial General Liability Insurance.** Lessee agrees to procure and maintain throughout the term of this Agreement a policy or policies of commercial general liability insurance and umbrella or excess liability coverage, at its own cost and expense, insuring Lessee from all claims, demands, and actions for property damage, for bodily injury and death of persons, for damage to rented premises, for personal and advertising injury, and products completed operations coverage, arising from, related to, or connected with the conduct and operation of Tenant’s use of the Hangar. The minimum policy limits for the commercial general liability insurance, which may be satisfied by a single policy or in combination with umbrella or excess liability coverage, are as follows:

|   |              |
|---|--------------|
| Each Occurrence                             | \$500,000.00 |
| Damage to Rented Premises (Each Occurrence) | \$500,000.00 |
| Medical Expense (Any One Person)            | \$10,000.00  |
| General Aggregate                           | \$500,000.00 |

Lessor, Lessor’s fixed-base operator, the City<sup>1</sup>, and Lessor’s officers, managers, employees, contractors, and agents (“Lessor’s Related

<sup>1</sup> For purposes of identification only, the current address of Lessor’s fixed-based operator and the City are:

(1) Midwest Flying Service, Inc., 3020 Northwest Blvd., Sheldon, Iowa 51201;

(2) The City of Sheldon, 416 9<sup>th</sup> St., P.O. Box 276, Sheldon, Iowa 51201.

Lessee shall cause such endorsements to reflect the names and addresses set forth in this footnote, as applicable,

Parties”) must by endorsement be named as additional insureds on the insurance policy required of Lessee pursuant to the terms of this section. The insurance carrier must, by endorsement, waive subrogation rights against Lessor and Lessor’s Related Parties. The policy may not include a CG 21 44 endorsement or similar exclusion limiting the coverage to the Hangar. If such an endorsement has been issued or exclusion exists, it must be terminated or removed. Lessee’s insurance carrier or agent must confirm coverage is not limited to the Hangar.

**Option B: Personal General Liability Insurance.** Lessee agrees to procure and maintain throughout the term of this Agreement a policy or policies of personal liability insurance and umbrella or excess liability coverage providing coverage for claims, demands, and actions of bodily injury, property damage, or death of persons arising from or related to Lessee’s personal use and occupancy of the Hangar. This policy shall cover incidents occurring on or about the Hangar that result from the negligent acts or omissions of Lessee. The minimum policy limits for the personal liability insurance, which may be satisfied by a single policy or in combination with umbrella or excess liability coverage, are as follows:

|   |              |
|---|--------------|
| Each Occurrence                               | \$500,000.00 |
| Medical Expenses to Others<br>(if applicable) | \$10,000.00  |
| Aggregate Limit:                              | \$500,000.00 |

Lessor and Lessor’s Related Parties must, by endorsement, be named as additional insureds on the insurance policy required of Lessee pursuant to the terms of this section. The insurance carrier must by endorsement waive subrogation rights against Lessor and Lessor’s Related Parties.

b. **Lessees’ Aviation Liability Insurance.** Lessee covenants and agrees to procure and maintain at their own cost and expense, a policy or policies of aviation liability insurance covering all liability arising out of the ownership, maintenance, storage, and operation of the Aircraft and related activities at the Hangar. Such insurance shall provide coverage for bodily injury, property damage, and passenger liability. The minimum policy limits for the aviation liability insurance coverage shall include Five Hundred Thousand and 00/100 Dollars (\$500,000.00) per occurrence for the Aircraft. Lessor and Lessor’s Related Parties shall be named as additional insureds on the liability policy, with a waiver of subrogation in favor of Lessor.

c. **Lessee's Property/Aircraft Hull Insurance.** Lessee covenants and agrees to procure and maintain at its own cost and expense property insurance to cover all personal property of Lessee which is to be used or kept in the Hangar. Lessee also is strongly encouraged, but is not required, to procure and maintain at its own cost and expense aircraft hull insurance to cover the full insurable value of the Aircraft. To the extent Lessee elects to obtain aircraft hull insurance, Lessee shall, to the extent possible, cause the insurer providing coverage for the Aircraft to waive any right of subrogation against Lessor and Lessor's Related Parties, with respect to any claims arising out of the use, storage, or presence of the Aircraft in the Hangar or surrounding premises.

d. **Lessee's Insurance Policies.** Insurance required of Lessee hereunder shall be in financially responsible insurance companies duly authorized to do business in the state in which the Hangar is located and reasonably acceptable to Lessor. Lessor and Lessor's Related Parties must, by written endorsement, be named as additional insureds on all applicable insurance policies. Lessee's insurance policies shall be the primary policies, and the insurance carriers will not seek contribution from, any other insurance held by Lessor, and Lessor's insurance will be excess, secondary, and non-contributory. Lessee covenants and agrees to deliver to Lessor, within ten (10) days after Lessor's request therefor, certificates evidencing the existence and amounts of such insurance, with loss payable clauses reasonably satisfactory to Lessor, and, at Lessor's election, copies of such policies of insurance.

e. **Lessee's Coverages in Excess of Amounts Required.** If Lessee carries insurance coverages with higher than the limits required in this Agreement, the full amount of the insurance coverages actually carried by Lessee will be available to respond to a covered loss or occurrence, and the coverage afforded to Lessor, as an additional insured under the policies, will not be limited by the minimum coverage limits specified in this Agreement, but will be deemed increased to the amounts actually carried by Lessee.

f. **Notification of Cancellation of Lessee's Insurance.** All of Lessee's insurance policies must not be subject to cancellation or non-renewal, except after at least thirty (30) days' prior written notice to Lessor by the insurance carriers; and if the insurance carriers are unable or unwilling to provide such notice to Lessor, then Lessee must provide such notices prior to the cancellation or non-renewal or any Lessee policies of insurance required by this Agreement. If the insurance carriers are willing to provide written notice of cancellation or non-renewal, proof of compliance with this requirement must be provided by endorsements issued by Lessee's insurance carriers. In addition, Lessee will provide to Lessor within ten (10) days of the effective date of any modification to the terms of a policy, a notice of modification of the policy required of Lessee herein.

g. **Lessor's Right to Obtain Coverage for Lessee.** If Lessee fails to comply with the requirements of this Agreement, Lessor may obtain such insurance and keep the same in effect, in which event Lessee must pay Lessor, on demand, the premium costs thereof.

h. **Lessor's Insurance.** Lessor shall maintain commercially reasonable

insurance policies, in such types, amounts, and forms as Lessor may reasonably determine in its sole discretion.

i. **Lessee's Proof of Insurance.** Lessee shall, prior to or as of the commencement of this Agreement, furnish Lessor with certificates of insurance or other evidence of insurance, in form and substance satisfactory to Lessor, confirming Lessee actively maintains all insurance policies required under this Agreement. Lessee shall thereafter, upon Lessor's reasonable request and from time to time during the term of this Agreement, provide updated certificates of insurance or other satisfactory evidence confirming that such insurance remains in full force and effect. All such proof of insurance must confirm that Lessor and Lessor's Related Parties are named as additional insureds under each applicable insurance policy, to the extent required by this Agreement.

16. **Indemnification.** Lessee shall indemnify and hold harmless Lessor, the City, their agents, employees, officers, its airport manager, and Lessor's fixed-base operator from any claims, actions, proceedings, damages, or liabilities, including reasonable attorney fees, arising from Lessee's use of the Hangar, negligence, or storage of prohibited items (e.g., flammable or toxic materials). This indemnification includes losses caused by Lessee's agents, employees, or invitees.

17. **Equal Opportunity.** Lessor is committed to nondiscrimination in accordance with federal law, including Title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975, and the Americans with Disabilities Act. No person shall be excluded from participation in, denied the benefits of, or subjected to discrimination under this Agreement on the basis of race, color, national origin, sex, age, or disability. To file a complaint of discrimination, contact: Federal Aviation Administration, Office of Civil Rights, 800 Independence Avenue, SW, Washington, DC 20591, phone: 202-267-3258 (voice), or 202-267-7358 (TTY). Lessor is an equal opportunity provider and employer.

18. **Security.** Lessee agrees to abide by and cooperate with Lessor in the enforcement and implementation of applicable airport security regulations and measures. Security of the Aircraft itself shall be the responsibility of Lessee. Lessor shall not be liable for theft, vandalism, or pilferage to any items stored in the Aircraft.

19. **Inspection & Right to Enter.** The City reserves the right to enter the Hangar for the purpose of inspections and/or emergency conditions. Lessor and its airport manager reserve the right to inspect the Hangar at reasonable times to ensure compliance with the terms of this Agreement and all applicable rules and regulations.

20. **Abandoned Property.** Any personal property left in the Hangar after the termination or expiration of this Agreement shall be considered abandoned by Lessee. Lessor may, at its sole discretion and without additional notice to Lessee, remove, store, sell, or otherwise dispose of such property in any manner Lessor deems appropriate. Lessee shall be responsible for all costs incurred by Lessor in the removal, storage, and disposal of such property, and Lessor may deduct such costs from Lessee's security deposit. If the Aircraft is removed from the Hangar after it has been deemed abandoned by Lessee, Lessor shall not be responsible for damage to the Aircraft caused by weather, including wind, rain, and hail, nor by reason of the negligence of a third party.

21. **Utilities.** Lessee shall pay for electricity usage in the Hangar, as determined by Lessor, either based on actual usage or a flat rate set by resolution. Only the following electrical appliances are permitted: basic lighting fixtures, light winch or tug, FAA-approved aircraft engine heaters, and portable tools as needed. No space heaters or other high-consumption devices are allowed. Electrical appliances may not be powered when the Hangar is unattended, except for FAA-approved aircraft engine heaters.

22. **Hangar Door Locks.** Lessor shall provide Lessee with locks and/or keys for all doors providing access to the Hangar. Only locks issued by Lessor are permitted. Personal locks found on Hangar doors will be removed by Lessor at Lessee's expense. If Lessee fails to comply with the terms of this Agreement, including payment of rent, Lessor may deny access to the Hangar and its contents.

23. **Maintenance Restrictions.** Lessee may perform only preventive maintenance on the Aircraft within the Hangar, as defined by FAA regulations. Major maintenance, inspections, annuals, major modifications, painting, or refurbishing are prohibited unless approved in writing by Lessor's airport manager. All maintenance must be conducted in a safe, non-disruptive manner and comply with FAA Order 5190.6 and other applicable regulations.

24. **Safety Rules.** Lessee shall comply with all safety rules and regulations, including but not limited to:

- a. No storage of flammable materials inside the Hangar, except fuel and oil in the aircraft tanks;
- b. No fueling or defueling operations inside the Hangar;
- c. No use of space heaters or open-flame devices in the Hangar;
- d. No smoking in or around the Hangar;
- e. Compliance with all applicable federal, state, and local laws and regulations, including FAA and fire safety regulations;
- f. Lessee is responsible for snow and ice removal within two (2) feet of Hangar doors;
- g. Lessee is responsible for the proper storage, handling, cleanup and disposal of all hazardous materials. This includes, but is not limited to oils, oil filters, paints, cleaners, fuel, and fuel filters. Before Lessee stores hazardous materials of any type in the Hangar, it must have the approval of Lessor, and Lessor may at any time thereafter require the removal of any such hazardous material from the Hangar. At no time will waste oil be permitted to be stored in the Hangar;
- h. Lessee may not block the Hangar doors, aisles, or fuel pump area any longer than necessary;
- i. Lessee may only use the lights inside the Hangar as needed and will

shut all lights off before leaving the Hangar.

25. **Relocation.** Lessor reserves the right to relocate Lessee to a different hangar upon reasonable notice, provided that the new hangar is of similar size and condition. If an existing or new hangar becomes available, the current hangar tenants have the ability to move to the open hangar as a first right with approval by the airport management. Lessor will consider airplane size, length of tenant, etc. for approval. A new lease agreement will be entered into for any price changes for the hangar changes.

26. **Acknowledgment.** Lessee acknowledges that it has read all of the rental rules and regulations and accepts them as written.

27. **Notice.** Any notices, requests, demands, or other communications under this Agreement shall be in writing and shall be deemed to have been given if delivered to the following addresses:

If to Lessor: Sheldon Regional Airport Commission  
Attn: Chair  
416 9<sup>th</sup> St  
Sheldon, IA 51201

AND

City of Sheldon  
Attn: City Clerk  
416 9<sup>th</sup> St  
Sheldon, IA 51201

If to Lessee: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

All notices required under this Agreement shall be in writing and delivered via certified mail, return receipt requested, to the addresses listed in this section, or via email if both parties agree in writing to electronic communication. Lessee shall notify Lessor of any change in contact information within ten (10) days.

28. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties and supersedes all prior agreements and understandings, whether written or oral.

29. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Iowa.

30. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which will be considered an original document, but all of which will be considered

one and the same agreement and will become binding when one or more counterparts have been signed by each of the parties. This Agreement may be delivered by facsimile or electronic transmission, and such copies will be fully binding and effective for all purposes. Fax and electronic signatures on this Agreement will be treated the same as original signatures.

31. **Non-Waiver.** No delay or omission in exercising any rights or remedies will be construed as a waiver of any default. The failure of Lessor to insist upon strict performance of any of the provisions of this Agreement will not be construed as a waiver of any subsequent default of the same or similar nature.

32. **Severability.** If any term, condition, or provision of this Agreement is held to be invalid by any court of competent jurisdiction, the holding will not invalidate or make unenforceable any other term, condition, or provision of this Agreement. The remaining terms, conditions, and provisions are fully severable and will be construed and enforced as if the invalid term, condition, or provision had never been inserted in this Agreement initially.

33. **Interpretation.** The parties agree this Agreement is the product of negotiation and expressly waive the rule of interpreting it against the drafter.

34. **Amendment.** This Agreement may only be amended by a written agreement signed by both parties.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

\_\_\_\_\_  
Lessee

\_\_\_\_\_  
Address

\_\_\_\_\_  
City, State, Zip

\_\_\_\_\_  
Contact Number

\_\_\_\_\_  
Emergency contact and Emergency contact number

Aircraft stored:

Make \_\_\_\_\_

Model \_\_\_\_\_

Owner Number \_\_\_\_\_

If Lessee is a corporation, club, partnership, or joint venture, list names and addresses of all principals:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

By: \_\_\_\_\_  
Lessee

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Authorized Staff for the City of Sheldon  
or Airport Commission Leadership

Date: \_\_\_\_\_