

LEASE AGREEMENT

STATE OF TEXAS)
) KNOW ALL PERSONS BY THESE

PRESENTS: BALLINGER/COUNTY OF RUNNELS)

This lease is entered into the _____ day of _____ 20_____,
(the "Effective Date") between the CITY OF BALLINGER, hereinafter referred to as "Lessor"
and is the owner of the Ballinger Municipal Airport, hereinafter referred to as "Airport" and

[sole proprietor/corporation/company], hereinafter referred to as "Lessee", whose address is
_____ who covenant and agree as follows:

WHEREAS, Lessor and Lessee are committed to 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 certain hangar as stated herein;
NOW THEREFORE, in accordance of terms, considerations, and privileges listed herein,
Lessor and Lessee covenant and agree as follows:

SECTION 1. - LEASED AREA

A. Hangar – Lessor does hereby lease to Lessee T-hangar Number _____ (
) approximately _____ feet x _____ feet located in T-hangar building of
50 feet x 200 and as shown on "Plat/Description of Hangar" which is attached hereto and
incorporated herein, all hereinafter referred to as the "Hangar" and located on the Airport. Lessee
hereby leases the said hangar from Lessor subject to the terms, considerations, and privileges
stated herein.

SECTION 2. - TERM: Month to Month Terminable at Will. This Lease shall continue as a month-
to-month tenancy commencing on the effective date of _____, 201____,
terminable at will by either Lessor or Lessee by the giving of a written notice of termination to
the other party at least thirty days prior to termination.

SECTION 3. – CONSIDERATION

A. Lessee shall pay rent to Lessor for the use of the Hangar in advance, monthly, in the
amount of _____ (_____) per month. The first monthly rental payment
shall be due and payable on the Effective Date of this Lease, and subsequent monthly rental
payments shall be due and payable on the day of each succeeding month thereafter, until this
Lease is terminated as provided for herein. For example, if the Lease's Effective Date is June
4th, the first payment shall be due on June 4th and subsequent monthly rental payments shall be
due on the 4th day of each succeeding month.

B. Lessor, may increase the amount of the rent from time to time, in its sole discretion, and
shall provide written notice of the increase to Lessee thirty (30) days prior to the rent increase
going into effect.

C. All rent shall be paid as the same becomes due, without demand, in lawful currency of the United States made payable to the City of Ballinger, Runnels County, 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 Twelve (12%) shall be charged by Lessor beginning on the tenth (10th) 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 Environmental Protection Agency, the Texas Natural Resources Conservation Commission, the Texas Department of Agriculture, the Texas Department of Transportation and any other public agency concerning the use, storage and disposal of hazardous chemicals, fuel, and/ or oil. Lessee further agrees to abide by the manufacturer's directions in regards to the use, storage, and disposal of all pesticides, herbicides, and other chemicals plus their containers used at the airport. Should Lessee fail to keep the leased Hangar clean and free of hazards, Lessor may, after fifteen (15) days written notice, arrange for the cleanup of the littered or hazardous area. Such cleanup shall be charged to Lessee and payable upon demand. Failure to render proper payment for such cleanup and/ or general disregard of the considerations and restrictions listed in this lease agreement are grounds for Lessor to terminate this lease. Lessor has the right to inspect the Hangar at any time to ensure compliance with 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 real 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 Hangar and is required herein to provide business liability insurance in an amount of Five Hundred Thousand and no/100 (\$500,000.00) Dollars with the City of Ballinger listed as an additional Insured and a waiver of subrogation shall be executed in favor of the City of Ballinger. Certificates of such required insurance shall be furnished by Lessee to Lessor and certificates presently then in effect shall be on file at all times. Any changes. Any changes in those certificates must have the prior written approval of Lessor.

SECTION 4. - PERMITTED USE

A. Lessee agrees the leased Hangar may be used for the limited purpose of aircraft parking and storage. Any other use must have the prior written consent of the Lessor, evidenced by a written amendment to this Lease.

B. Lessee may park his and/or his passenger's privately owned automobile(s) inside the Hangar, but only while on a flight which originated at the Airport.

C. Lessee may store up to a maximum of forty eight (48) quarts or twelve (12) gallons of aviation

oil inside the Hangar for use in his aircraft so long, and only so long, as such oil are contained in marked, approved containers. Such storage will be at the discretion of and with written approval from the local fire marshal if such storage is allowed under fire codes.

SECTION 5. - RESTRICTED USE

A. Lessee agrees that the usage of the Hangar plus any associated apron shall be limited to the parking/hangaring of his personal/company owned aircraft. No automobile, bus, truck, or other transportation mode may be permanently or habitually parked or stored on/in the Hangar except in approved automobile parking areas and as agreed upon by Lessor.

B. Lessee agrees that he will not conduct any commercial activity such as aircraft engine or airframe repair, avionics repair, or any other at the Airport without the written consent of Lessor. Any such approved commercial operation may be in accordance with a separate contract agreement with Lessor.

C. Lessee agrees that he will not store or permit the storage of any fuel or hazardous, volatile, and/or dangerous chemicals on/inside the Hangar Space/Storage Area without the written consent of Lessor.

D. Lessee agrees not to fuel or defuel any aircraft parked inside the Hangar.

E. Lessee agrees to have a sufficient number of fire extinguishers of acceptable size as determined by the local fire marshal inside the Hangar. Such fire extinguisher(s) shall be readily accessible in the event of a fire.

F. 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 Lessor.

G. Lessee agrees that he will not operate any nonaviation related business or activity on/in the Hangar without the express written consent of Lessor, such consent to be established by a separate written contract.

SECTION 6. - SUBLEASE, ASSIGNMENT, OR SALE: Lessee shall not sublease, assign, sell, or transfer this 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 Lessor, for Lessor to immediately terminate this agreement.

SECTION 7. -TERMINATION

A. This agreement may be terminated by Lessor or Lessee if either fails to abide by the terms and conditions expressed herein, upon ten (10) days prior written notice. Should Lessee be declared bankrupt, incompetent, or become deceased, this 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

Hangar or Airport property for any illegal or unauthorized purpose, files bankruptcy, abandons or leaves the leased property vacant or unoccupied for 60 consecutive days, or violates any of the terms and conditions of this agreement, Lessor has the right to terminate this 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 agreement may be terminated regardless of the desires, wishes, or views of 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 agreement may be terminated by the Lessor or Lessee, without cause, by providing thirty (30) days prior written notice of termination.

D. At the termination of this 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 such 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.

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 businesses, operations, 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 agreement and no damages or monies or other compensation will be owed to Lessee by Lessor.

SECTION 10. - EXCLUSIONS

A. This 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 agreement may be modified by written addendum agreed to and signed by all pertinent parties and attached hereto.

B. For the purpose of this agreement, the singular number shall include the plural and the masculine shall include the feminine and vice-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 agreement hereby acknowledge and agree that they are the principals to the agreement and have the power, right, and authority to enter into this agreement and are not acting as an agent for the benefit of any third party; except that Lessor is acting on behalf of the City of Ballinger.

E. This agreement shall be governed by the laws of the State of Texas and construed thereunder and venue of any action brought under this agreement shall be in Runnels County, Texas.

F. If any section, paragraph, sentence, or phrase entered in this 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 agreement and, to this end, the provisions of this agreement are declared to be severable.

G. In the event that either party hereto brings any action or files any proceeding in connection with the enforcement of its respective rights under this Lease as a consequence of any breach by the other party of its obligations under this Lease, the prevailing party in such action or proceeding shall be entitled to have its reasonable attorney's fees and out-of-pocket expenditures paid by the losing party. All such fees shall be deemed to have accrued upon the commencement of such action.

EXECUTED this _____ day _____, 20_____.

Lessor: City of Ballinger
BY: Mayor _____

Attest: _____
City Secretary

Lessee: _____

Approved as to Form:

City Attorney